



**HOUSING AUTHORITY
of the County of Los Angeles**

Administrative Office

2 Coral Circle • Monterey Park, CA 91755

323.890.7001 • TTY: 323.838.7449 • www.lacdc.org



Gloria Molina
Yvonne Brathwaite Burke
Zev Yaroslavsky
Don Knabe
Michael D. Antonovich
Commissioners

William K. Huang
Acting Executive Director

**AGENDA
FOR THE REGULAR MEETING OF THE
LOS ANGELES COUNTY HOUSING COMMISSION
WEDNESDAY, JULY 23, 2008**

12:00 NOON

HEADQUARTERS

2 CORAL CIRCLE

MONTEREY PARK, CA 91755

(323) 890-7001

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1. Call to Order

2. Roll Call

Severyn Aszkenazy, Chair
Adriana Martinez, Vice Chair

Philip Dauk
Lynn Caffrey Gabriel
Henry Porter, Jr.
Alberta Parrish

3. Reading and Approval of the Minutes of the Previous Meetings

Regular Meeting of June 25, 2008

4. Report of the Executive Director

5. Public Comments

The public may speak on matters that are within the jurisdiction of the Housing Commission. Each person is limited to three minutes.

6. Staff Presentations

Housing Authority Resident's Scholarship Awards – Linda Alexander



Regular Agenda

7. **Resolution Authorizing the Issuance of Multifamily Housing Mortgage Revenue Bonds for Arrow Plaza in Unincorporated Covina (5)**

Recommend that the Board of Commissioners find that the approval of a resolution authorizing the issuance of Multifamily Housing Mortgage Revenue Bonds by the Housing Authority of the County of Los Angeles to finance the site acquisition and rehabilitation of the 64-unit Arrow Plaza is not subject to the California Environmental Quality Act (CEQA) because it is not defined as a project under CEQA and does not have the potential for causing a significant effect on the environment; adopt and instruct the Chair to sign the attached Resolution, as required under Section 147(f) of the Internal Revenue Code of 1986, authorizing the issuance of Multifamily Housing Mortgage Revenue Bonds by the Housing Authority of the County of Los Angeles, in an aggregate amount not exceeding \$6,400,000, to assist Arrow Plaza, KBS, L.P. (Developer) in financing the site acquisition and rehabilitation of Arrow Plaza, a 64-unit multifamily rental housing project located at 20644 East Arrow Highway in unincorporated Covina; authorize the Acting Executive Director to execute all related documents and take all necessary actions for the issuance, sale, and delivery of the bonds. (APPROVE)

8. **Resolution Authorizing the Issuance of Multifamily Housing Mortgage Revenue Bonds for Casa Lucerna in Unincorporated East Los Angeles (1)**

Recommend that the Board of Commissioners find that the approval of a resolution authorizing the issuance of Multifamily Housing Mortgage Revenue Bonds by the Housing Authority of the County of Los Angeles to finance the site acquisition and rehabilitation of the 75-unit Casa Lucerna is not subject to the California Environmental Quality Act (CEQA) because it is not defined as a project under CEQA and does not have the potential for causing a significant effect on the environment; adopt and instruct the Chair to sign the attached Resolution, as required under Section 147(f) of the Internal Revenue Code of 1986, authorizing the issuance of Multifamily Housing Mortgage Revenue Bonds by the Housing Authority of the County of Los Angeles, in an aggregate amount not exceeding \$5,999,000, to assist Casa Lucerna, KBS, L.P. (Developer) in financing the site acquisition and rehabilitation of Casa Lucerna, a 75-unit multifamily rental housing project located at 1025 South Kern Avenue in unincorporated East Los Angeles; authorize the Acting Executive Director to execute all related documents and take all necessary actions for the issuance, sale, and delivery of the bonds. (APPROVE)

9. **Resolution Authorizing the Issuance of Multifamily Housing Mortgage Revenue Bonds for Leffingwell Manor in Unincorporated Whittier (4)**

Recommend that the Board of Commissioners find that the approval of a resolution authorizing the issuance of Multifamily Housing Mortgage Revenue Bonds by the Housing Authority of the County of Los Angeles to

finance the site acquisition and rehabilitation of the 89-unit Leffingwell Manor is not subject to the California Environmental Quality Act (CEQA) because it is not defined as a project under CEQA and does not have the potential for causing a significant effect on the environment; adopt and instruct the Chair to sign the attached Resolution, as required under Section 147(f) of the Internal Revenue Code of 1986, authorizing the issuance of Multifamily Housing Mortgage Revenue Bonds by the Housing Authority of the County of Los Angeles, in an aggregate amount not exceeding \$8,855,000, to assist Leffingwell Manor, KBS, L.P. (Developer) in financing the site acquisition and rehabilitation of Leffingwell Manor, an 89-unit multifamily rental housing project located at 11410 Santa Gertrudes Avenue in unincorporated Whittier; authorize the Acting Executive Director to execute all related documents and take all necessary actions for the issuance, sale, and delivery of the bonds. (APPROVE)

10. **Approve Construction Contract for Final Phase of Gas Line Replacement at Carmelitos Family Housing Development in the City of Long Beach (4)**

Recommend that the Board of Commissioners find that the approval of a Contract for the fourth and final phase of the gas line replacement improvements at Carmelitos family housing development is exempt from the provisions of the California Environmental Quality Act (CEQA), as described herein, because the work includes activities that will not have the potential for causing a significant effect on the environment; approve and authorize the Acting Executive Director of the Housing Authority to execute a Contract in the amount of \$1,453,120, in substantially the form of the attached, and all related documents, with M.L. Construction, to complete the fourth and final phase of the gas line replacement improvements at the subject property, to be effective following execution by all parties and issuance of the Notice to Proceed, which will not exceed 30 days following the date of Board approval; authorize the Acting Executive Director to approve Contract change orders not exceeding \$290,624 for unforeseen project cost. (APPROVE)

11. **Approve Construction Contract for Phase One of Harbor Hills Housing Development Kitchen Remodel Project (4)**

Recommend that the Board of Commissioners find that the approval of a Contract for phase one of the kitchen remodel at the Harbor Hills housing development is exempt from the provisions of the California Environmental Quality Act (CEQA), as described herein, because the work includes activities that will not have the potential for causing a significant effect on the environment; approve and authorize the Acting Executive Director to execute a Contract in the amount of \$1,170,000, in substantially the form of the attached and all related documents, with Gibraltar Construction Company, Inc., to complete the kitchen remodel of 104 units at the subject property, to be effective following execution by all parties and the issuance of the Notice to Proceed, which will not exceed 30 days following the date of Board approval; authorize the Acting Executive Director to approve

Contract change orders not exceeding \$234,000 for unforeseen project costs. (APPROVE)

12. **Approve Elevator Consulting Services Contract for Elevator Modernization at Kings Road Senior Housing Development in the City of West Hollywood (3)**

Recommend that the Board of Commissioners find that approval of a Contract for elevator consulting services is not subject to the provisions of the California Environmental Quality Act (CEQA), as described herein, because the activities are not defined as a project under CEQA; approve and authorize the Acting Executive Director to execute a Contract in the amount of \$71,845, in substantially the form of the attached, and all related documents, with IDS Group, Inc. (Consultant), to complete design services for the modernization of four elevators at the subject property, to be effective following execution by all parties and issuance of the Notice to Proceed, which will not exceed 30 days following the date of Board approval; authorize the Acting Executive Director to execute amendments to the Contract, following approval as to form by the County Counsel, to extend the time of performance for an additional year without increasing the total amount of compensation; authorize the Acting Executive Director to execute amendments to the Contract, following approval as to form by the County Counsel, to increase the Contract by up to an aggregate amount of \$14,369 for unforeseen project costs. (APPROVE)

13. **Approve Professional Services Agreement for General Rehabilitation at the Kings Road Senior Housing Development (3)**

Recommend that the Board of Commissioners find that approval of an Agreement to provide architectural and engineering services is not subject to the provisions of the California Environmental Quality Act (CEQA), as described herein, because the activities are not defined as a project under CEQA; approve and authorize the Acting Executive Director to execute an Agreement in the amount of \$187,300, in substantially the form of the attached, and all related documents, with Kennard Design Group (Consultant), to complete architectural and engineering services for the general rehabilitation at the subject property, to be effective following execution by all parties, which will not exceed 30 days following the date of Board approval; authorize the Acting Executive Director to execute amendments to the Agreement, following approval as to form by County Counsel, to increase the Agreement by up to an aggregate amount of \$37,460 for unforeseen project costs. (APPROVE)

14. **Approve Memorandum of Understanding with the City of Lancaster for Housing Program Investigations (5)**

Recommend that the Board of Commissioners find that approval of the MOU between the Housing Authority and the City of Lancaster is not subject to the provisions of the California Environmental Quality Act (CEQA), as described herein, because the activities are not defined as a project under CEQA; approve and authorize the Acting Executive Director

to execute the MOU with the City of Lancaster, attached in substantially final form, under which the Housing Authority will provide investigative services and receive \$116,340 from the City of Lancaster and \$116,340 in County Economic Development Funds (EDF) allocated to the Fifth Supervisorial District, to be effective following approval as to form by County Counsel and execution by the parties; authorize the Acting Executive Director to incorporate into the Housing Authority's approved Fiscal Year 2008-2009 budget \$116,340 from the City of Lancaster, for the purposes described above, and to incorporate any additional funds that may be received from the City of Lancaster for services performed during the term of the MOU; authorize the Acting Executive Director to incorporate into the Housing Authority's approved Fiscal Year 2008-2009 budget County EDF funds in the amount of \$116,340 for the City of Lancaster; authorize the Acting Executive Director to execute amendments to the MOU with the City of Lancaster to include minor administrative changes, and to extend the time of performance for a maximum of two years, in one-year increments; and authorize the Acting Executive Director to incorporate funds received from the City of Lancaster into future approved Housing Authority budgets, for the purpose described above. (APPROVE)

15. Approve Memorandum of Understanding with the City of Paramount for Section 8 Program Investigations (4)

Recommend that the Board of Commissioners find that approval of the MOU between the Housing Authority and the City of Paramount is not subject to the provisions of the California Environmental Quality Act (CEQA), as described herein, because the activities are not defined as a project under CEQA; approve and authorize the Acting Executive Director to execute the MOU with the City of Paramount, attached in substantially final form, under which the Housing Authority will provide investigative services and receive \$25,000 from the City of Paramount, to be effective following approval as to form by County Counsel and execution by the parties; authorize the Acting Executive Director to incorporate into the Housing Authority's approved Fiscal Year 2008-2009 budget a total of \$25,000 from the City of Paramount, for the purposes described above, and to incorporate any additional funds that may be received from the City of Paramount for services performed during the term of the MOU; authorize the Acting Executive Director to execute amendments to the MOU with the City of Paramount to include minor administrative changes, and to extend the time of performance for up to two additional years, in one-year increments; and authorize the Acting Executive Director to incorporate funds received from the City of Paramount into future approved Housing Authority budgets, for the purpose described above. (APPROVE)

16. Approve Memorandum of Understanding with the City of Palmdale for Housing Program Investigations (5)

Recommend that the Board of Commissioners find that approval of the MOU between the Housing Authority and the City of Palmdale, is not subject to the provisions of the California Environmental Quality Act

(CEQA), as described herein, because the activities are not defined as a project under CEQA; approve and authorize the Acting Executive Director to execute the MOU with the City of Palmdale, attached in substantially final form, under which the Housing Authority will provide investigative services and receive \$44,500 from the City of Palmdale and \$44,500 in County (Economic Development Funds) EDF allocated to the Fifth Supervisorial District, to be effective following approval as to form by County Counsel and execution by all parties; authorize the Acting Executive Director to incorporate into the Housing Authority's approved Fiscal Year 2008-2009 budget \$44,500 from the City of Palmdale, for the purposes described above, and to incorporate any additional funds that may be received from the City of Palmdale for services performed during the term of the MOU; authorize the Acting Executive Director to incorporate into the Housing Authority's approved Fiscal Year 2008-2009 budget County EDF funds in the amount of \$44,500 for the City of Palmdale; authorize the Acting Executive Director to execute amendments to the MOU with the City of Palmdale to include minor administrative changes, and to extend the time of performance for up to two additional years, in one-year increments; and authorize the Acting Executive Director to incorporate funds received from the City of Palmdale into future approved Housing Authority budgets, for the purpose described above. (APPROVE)

17. Housing Commissioners Comments and Recommendations for Future Agenda Items

Housing Commissioners may provide comments or suggestions for future Agenda items.

Copies of the preceding agenda items are on file and are available for public inspection between 8:00 a.m. and 5:00 p.m., Monday through Friday, at the Housing Authority's main office located at 2 Coral Circle in the City of Monterey Park. Access to the agenda and supporting documents is also available on the Housing Authority's website.

Agendas in Braille are available upon request. American Sign Language (ASL) interpreters, or reasonable modifications to Housing Commission meeting policies and/or procedures, to assist members of the disabled community who would like to request a disability-related accommodation in addressing the Commission, are available if requested at least three business days prior to the Board meeting. Later requests will be accommodated to the extent possible. Please contact the Executive Office of the Housing Authority by phone at (323) 838-5051, or by e-mail at marisol.ramirez@lacdc.org, from 8:00 a.m. to 5:00 p.m., Monday through Friday.

THE HOUSING AUTHORITY OF THE COUNTY OF LOS ANGELES

MINUTES FOR THE REGULAR MEETING OF THE

LOS ANGELES COUNTY HOUSING COMMISSION

Wednesday, June 25, 2008

The meeting was convened at the Carmelitos Community Center, located at 851 Via Carmelitos, Long Beach, California.

Digest of the meeting. The Minutes are being reported seriatim. A taped record is on file at the main office of the Housing Authority.

The meeting was called to order by Vice Chair Adriana Martinez at **12:08** p.m.

ROLL CALL

Present

Absent

X

Severyn Aszkenazy

X

Adriana Martinez

X

Philip Dauk

X

Lynn Caffrey Gabriel

X

Henry Porter, Jr.

X

Alberta Parrish

X

PARTIAL LIST OF STAFF PRESENT:

Carlos Jackson, Executive Director

Bobbette Glover, Assistant Executive Director

Bill Huang, Director, Housing Development and Preservation

Maria Badrakhan, Director, Housing Management

GUESTS PRESENT:

The following Carmelitos residents attended the meeting:

Mildred Crutchfield

Gwendolyn J. Flowers

Maria Rodriguez

Martin Doylester

James Wilkey

Brenda Slaughter

Enid Garcia

Michael Mainava

Annie Lois Munson

Michele C. Meindl

Reading and Approval of the Minutes of the Previous Meeting

On Motion by Commissioner Porter, seconded by Commissioner Dauk, the Minutes of the Regular Meeting of May 28, 2008 were approved. Commissioner Martinez abstained.

Agenda Item No. 4 - Report of the Executive Director

Bobbette Glover reported on the following items:

Ms. Glover introduced Ms. Lynn Anderson, Carmelitos Property Manager, who provided an overview of the development. Ms. Anderson introduced Sergeant Brown, Community Policing Officer, who commended his officers for their outstanding work providing youth outreach, monitoring area gang activity and working closely with concerned citizens.

Ms. Glover provided an update on Ujima Village. The relocation of Ujima Village residents has begun and HUD has provided a more complete package to assist residents. On June 13, 2008, two resident meetings were held, with Congresswoman Laura Richardson, Supervisor Yvonne Braithwaite Burke and Congresswoman Laura Richardson attending different sessions. Commissioner Porter also attended the meeting, as did HUD staff and HUD's national relocation consultant who will work closely with the relocation firm of Del Richardson and Associates. HUD has provided the Housing Authority with a status report on each Ujima Village household.

At the above meeting, one resident expressed concerns about a letter from the Water Board stating that residents were being forced to move. In fact, the letter stated that residents could voluntarily relocate within 60 days and that additional time would be granted if needed. Commissioner Porter stated that many residents were not well informed and this has caused much anxiety and concern among the residents.

Ms. Glover announced that HUD will be conducting an asset management review of the Housing Authority's public housing programs.

Executive Director Carlos Jackson expressed appreciation to the Housing Commission for all the years of support. He commended staff for overcoming many obstacles and for making tremendous progress in returning the Housing Authority to Standard Performer status. Commissioner Martinez commended Mr. Jackson for his many years of service to the Housing Authority and for working through many challenges to achieve excellence in service for residents of the County of Los Angeles.

On motion by Commissioner Gabriel, seconded by Commissioner Porter, and unanimously carried, the Housing Commission voted to prepare, with

staff assistance, a six-signature letter to the Board of Supervisors acknowledging the major accomplishments of Mr. Jackson and Housing Authority staff.

Mr. Jackson introduced William K. Huang, Acting Executive Director, effective July 8, 2008. On behalf of the Housing Commission, Commissioner Martinez welcomed Mr. Huang to this new role with the Housing Authority.

Mr. Jackson announced that recruitment was conducted for an Assistant Executive Director to oversee the Housing Authority. Mr. Gregg Fortner will be providing technical support and consultation, particularly with regard to interactions with HUD. Mr. Fortner was formerly Director of the Section 8 Program in Sacramento and Director of the San Francisco Housing Authority. Mr. Jackson also announced the appointment of Ms. Margarita Lares as Director of the Assisted Housing Division and Ms. Darlene Aikens as Manager of Administrative Services in the Assisted Housing Division.

Agenda Item No. 5 – Public Comments

Ms. Mildred Crutchfield, Carmelitos senior resident, requested: 1) a security clicker for the gates, which she has not received in her 2 ½ years of residing at Carmelitos; 2) Korean translators for the residents; and 3) the hiring of an assistant manager, since it is often difficult to locate the resident manager. Ms. Anderson will follow-up with maintenance staff regarding the security clicker, and will explore options for translating services. Ms. Anderson clarified that the resident manager works at the front office twice a week and at the Senior Center three days a week. Commissioner Martinez asked that the resident manager's schedule be posted at the housing development. Commissioner Gabriel requested that a written response be provided on these issues, and asked whether UCLA students could possibly do translations. Mr. Jackson will speak with Linda Alexander, Manager of the Office of Community and Educational Partnership, regarding volunteer translators from local universities. Mr. Ray Grabinski agreed to work with Ms. Alexander on recruiting volunteer translators.

Ms. Gwendolyn J. Flowers stated that there are policy violations at the site that are not being addressed due to the resident manager's unavailability. Maria Badrakhn, Housing Management Director, stated that she will look into revising the resident manager's schedule to address this issue. Ms. Betsy Lindsay, Crime and Safety Unit, provided Ms. Flowers with the hotline tip line magnet with the 1-800-number. Commissioner Martinez asked that the magnets be provided to all residents. Ms. Lindsay agreed to complete a follow-up mailing of the magnets to the residents. She also announced the hotline tip line of 1-877-881-7233 for the Section 8 Program and Conventional Housing issues.

Ms. Maria Rodriguez, stated that there are children that come to the senior complex and cause disturbances. Ms. Anderson stated that these complaints are address directly with the residents of the disruptive children.

Mr. Martin Doylester and Mr. James Wilkey raised concerns about parking procedures and asked that accurate information be distributed to avoid confusion and cars being towed away. Ms. Glover asked Ms. Anderson to speak with Mr. Doylester after the meeting. Commissioner Porter questioned if residents are being given adequate information on parking restrictions, parking stickers, etc., and suggested that staff prepare binders with applicable policies for all of the resident councils. Ms. Badrakhan will have the binders prepared and distributed. The binders will include specific information on where residents can park if they do not have parking permits. Commissioner Parrish stated that at the Orchard Arms development the resident manager reviews the parking policy with the residents when leases are renewed.

Ms. Brenda Slaughter inquired about the implementation of analog television in February 2009. She also asked if something can be done about the many cats roaming the development.

Ms. Arlene Black, Area Manager, Housing Management Division, stated that staff recently participated in a meeting with the Los Angeles County Consumer Regulatory Affairs Department on cable and satellite dish options at the housing sites. Ms. Black advised residents to contact their resident manager or management office about these options. Ms. Anderson stated that in regard to the stray cats, the pet policy is being enforced and violations are being addressed. Commissioner Martinez requested a report on these issues at the next meeting.

Ms. Black added that residents can apply for a voucher to purchase a digital converter box at a discount. Information has been provided to the resident councils.

Ms. Enid Garcia asked that the resident manager be on site more often. Commissioner Porter responded that having the resident manager or someone on site 24 hours might not be obtainable due to funding cuts.

Michael Maiava stated that his issue had been addressed. However, Commissioner Porter requested that staff meet with him at the end of the meeting to ensure a satisfactory resolution.

Annie Lois Munson, requested permission to install a fan in her unit. Ms. Anderson will assist Ms. Munson at the end of the meeting.

Ms. Michele Meindl asked why the resident manager's office is closed every Wednesday. Ms. Badrakhan stated that due to short staffing the office closes on Wednesday to handle administrative work.

Agenda Item No. 6 - Staff Presentations

There were no staff presentations.

Regular Agenda

On Motion by Commissioner Gabriel, seconded by Commissioner Martinez, and unanimously carried, the following was approved by the Housing Commission:

**ADOPT RESOLUTION APPROVING ISSUANCE OF MULTIFAMILY HOUSING
MORTGAGE REVENUE BONDS FOR MULTIFAMILY HOUSING IN
UNINCORPORATED WEST ATHENS/WESTMONT (2)
AGENDA ITEM NO. 7**

1. Recommend that the Board of Commissioners adopt and instruct the Chair to sign the attached Resolution, as required under Treasury Regulations, declaring an intent by Normandie Senior Housing Partners L.P., a California Limited Partnership, to undertake bond financing in an amount not exceeding \$8,000,000 to finance the site acquisition and construction of 105th Street & Normandie Senior Housing, a 62-unit multifamily rental housing development to be located at 10402, 10408, 10410 and 10426 South Normandie Avenue, 1344 West 104th Street and 1335 West 105th Street in unincorporated West Athens/Westmont.
2. Recommend that the Board of Commissioners authorize the Executive Director to submit an application to the California Debt Limit Allocation Committee (CDLAC) for a private activity bond allocation in an aggregate amount not exceeding \$8,000,000 for the purposes described herein.

On Motion by Commissioner Gabriel, seconded by Commissioner Dauk, and unanimously carried, the following was approved by the Housing Commission:

**APPROVE AND ADOPT A RESOLUTION ACCEPTING THE TRANSFER OF
HOUSING CHOICE VOUCHERS FROM THE HOUSING AUTHORITY OF THE
CITY OF LOMITA TO THE HOUSING AUTHORITY OF THE COUNTY OF
LOS ANGELES (ALL DISTRICTS)
AGENDA ITEM NO. 8**

1. Recommend that the Board of Commissioners find that the transfer of Section 8 Housing Choice Vouchers is not subject to the provisions of the California Environment Quality Act (CEQA), as described herein, because the activity is not defined as a project under CEQA.

2. Recommend that the Board of Commissioners approve the transfer of Section 8 Housing Choice Vouchers budget authority and corresponding baseline units from the Lomita ACC to the HACoLA Consolidated Annual Contributions Contract (CACC).
3. Recommend that the Board of Commissioners adopt the attached Resolution accepting the transfer of Section 8 Housing Choice Vouchers and setting the date upon which the transfer will occur; and authorize the Executive Director to submit the Resolution and all related documents to HUD.

On Motion by Commissioner Porter, seconded by Commissioner Martinez, and unanimously carried, the following was approved by the Housing Commission:

APPROVE MEMORANDUM OF UNDERSTANDING WITH THE CITY OF
BELLFLOWER TO CONTINUE INVESTIGATIONS FOR
THE SECTION 8 PROGRAM (4)
AGENDA ITEM NO. 9

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1. Recommend that the Board of Commissioners find that approval of the MOU between the Housing Authority and the City of Bellflower is not subject to the provisions of the California Environmental Quality Act (CEQA), as described herein, because the activities are not defined as a project under CEQA.
 2. Recommend that the Board of Commissioners approve and authorize the Executive Director to execute the MOU with the City of Bellflower, presented in substantially final form, under which the Housing Authority will provide investigative services and receive \$25,000 from the City of Bellflower, to be effective following approval as to form by County Counsel and execution by the parties.
 3. Recommend that the Board of Commissioners authorize the Executive Director to incorporate into the Housing Authority's approved Fiscal Year 2008-2009 budget a total of \$25,000 from the City of Bellflower, for the purposes described above, and to incorporate any additional funds that may be received from the City for services performed during the term of the MOU.
 4. Recommend that the Board of Commissioners authorize the Executive Director to execute amendments to the MOU to include minor administrative changes, and to extend the time of performance for a maximum of two years, in one-year increments; and authorize the Executive Director to incorporate funds received from the City of Bellflower into future approved Housing Authority budgets, for the purpose described above.

On Motion by Commissioner Gabriel, seconded by Commissioner Parrish, and unanimously carried, the following was approved by the Housing Commission:

**AUTHORIZE MEMORANDUM OF UNDERSTANDING BETWEEN THE HOUSING
AUTHORITY AND THE REGENTS OF THE UNIVERSITY OF CALIFORNIA
(ALL DISTRICTS)
AGENDA ITEM NO. 10**

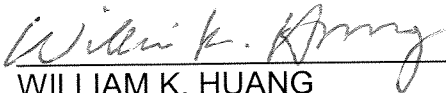
1. Recommend that the Board of Commissioners approve and authorize the Executive Director of the Housing Authority to execute an MOU between the Housing Authority and the Regents of the University of California to continue Cooperative Extension program services.
 2. Recommend that the Board of Commissioners authorize the Executive Director to negotiate and execute future MOUs, including indemnity provisions, between the Housing Authority and the Regents of the University of California, consistent with the availability of funds included in the approved Fiscal Year budget and the programmatic requirements of the funding sources, and subject to approval by the Housing Authority's Risk Manager and County Counsel.
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**Agenda Item No. 11 – Housing Commissioner Comments and
Recommendations for Future Agenda Items**

Commissioner Porter appreciates receiving the County Digest in his packet.

On Motion by Commissioner Porter, Vice Chair Martinez adjourned the Regular Meeting of June 25, 2008, at 2:08 p.m.

Respectfully submitted,


WILLIAM K. HUANG
Acting Executive Director
Secretary –Treasurer

FOR YOUR INFORMATION

APPROVED
JULY 1, 2008



WILLIAM T FUJIOKA
Chief Executive Officer

County of Los Angeles
CHIEF EXECUTIVE OFFICE

713 KENNETH HAHN HALL OF ADMINISTRATION
LOS ANGELES, CALIFORNIA 90012
(213) 974-1101
<http://ceo.lacounty.gov>

July 1, 2008

The Honorable Board of Commissioners
Community Development Commission and the
Housing Authority
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Commissioners:

Board of Supervisors
GLORIA MOLINA
First District

YVONNE B. BURKE
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

COMMUNITY DEVELOPMENT COMMISSION/HOUSING AUTHORITY
APPOINTMENT AND SALARY ADJUSTMENT FOR
ACTING EXECUTIVE DIRECTOR
(ALL SUPERVISORIAL DISTRICTS)
(3 VOTES)

SUBJECT

Appointment of and salary adjustment for, William K. Huang, to serve as Acting Executive Director, Community Development Commission and Housing Authority; and instruction to the Director of Personnel, County of Los Angeles, to conduct on behalf of the Community Development Commission/Housing Authority, a nationwide executive search to identify qualified candidates for the Executive Director, Community Development Commission and Housing Authority position, at salary range comparable to the County of Los Angeles' Management Appraisal and Performance Plan (MAPP) Salary Range R 17.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve the appointment of William K. Huang to serve as Acting Executive Director, Community Development Commission and Housing Authority commencing July 7, 2008 through such time as an Executive Director, Community Development Commission and Housing Authority is appointed by your Board of Commissioners.

2. Approve a salary adjustment for William K. Huang to an annual salary of \$160,000 per year effective with his appointment as Acting Executive Director, Community Development Commission and Housing Authority, July 7, 2008, and throughout the period he serves as Acting Executive Director, Community Development Commission and Housing Authority.
3. Instruct the Director of Personnel, County of Los Angeles, to conduct a nationwide executive search, using an executive search firm, to identify qualified candidates for the position of Executive Director, Community Development Commission and Housing Authority, at a salary range that is comparable to the County of Los Angeles' Management Appraisal and Performance Plan (MAPP) Salary Range R 17.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Mr. Carlos Jackson, Executive Director, Community Development Commission and Housing Authority, will retire on July 7, 2008. To ensure that the duties and responsibilities of this critical position are carried out without interruption, and to ensure that this position is filled in an efficient and expeditious manner, we request that your Board of Commissioners approve these recommendations.

In order to conduct a nationwide search for a successor, it is necessary to authorize the Director of Personnel, County of Los Angeles to contract with, and to provide contract management of an executive search firm for this purpose. Additionally, based upon a review of existing salary ranges for positions similar to that of the Executive Director, Community Development Commission and Housing Authority position, in both State of California agencies and Los Angeles County Departments, of similar size and complexity, it is recommended that the salary for the Executive Director, Community Development Commission and Housing Authority position be increased from its current range of \$114,360 to \$168,216 to, a new range of \$138,721 to \$209,956, which is comparable to the County's MAPP Salary Range R17.

Implementation of Strategic Plan Goals

Approval of these recommendations will further the County of Los Angeles Strategic Plan's Workforce Excellence (Goal 2) to enhance the quality and productivity of the County workforce.

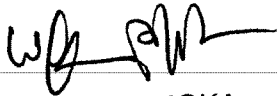
FISCAL IMPACT/FINANCING

The cost for the recommended actions will be absorbed in the Community Development Commission/Housing Authority's budget. The recommended salary for Mr. Huang is appropriate given the increased responsibilities he will assume as the Acting Executive Director, and provides an adequate salary differential between the Acting Executive Director and the highest paid subordinate in the department.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Implementation of this recommendation will provide leadership for the Community Development Commission/Housing Authority.

Respectfully submitted,



WILLIAM T FUJIOKA
Chief Executive Officer

WTF:LS:os

c: County Counsel
Director of Personnel

Housing Authority - County of Los Angeles

July 17, 2008

To: Each Supervisor

From: William K. Huang, Acting Executive Director

FOR YOUR INFORMATION ONLY

SUBJECT: MONTHLY PROGRESS REPORT ON THE SECTION 8 PROGRAM

On March 13, 2007, your Board instructed the Housing Authority to report monthly on the progress to remove the Section 8 program from its Troubled status under Section 8 Management Assessment Program (SEMAP). On June 17, 2008, your Board directed the Housing Authority to report on progress made in obtaining HUD VASH (Veterans Affairs Supportive Housing Program) vouchers.

This report covers activities for the period between June 14, 2008 and July 16, 2008, and provides information on the following:

- Lease-up
- Annual Re-Examinations
- Inspections
- Corrective Action Plan
- The HUD OIG Audit Report
- New HUD OIG Audit on Financial Systems
- The Confirmatory Review for FY 2006-2007
- YARDI System Update
- Socialserve.com, Los Angeles Housing Resource Center
- Call Center
- HUD - VASH Vouchers

Lease-up, Annual Re-examinations and Inspections

Current data is not available due to technical problems with HUD's data reporting system, Public & Indian Information Center (PIC), which is used to obtain SEMAP performance status. However, previously available information indicates our lease-up rate is 97%, representing a total of 20,130 assisted families throughout the County; a 0% delinquency rate for our annual re-examinations; and a 2% delinquency rate for our inspections for fiscal year ending June 30, 2008. These percentages are based on activity recorded on the PIC system of completed work submitted by the Housing Authority and not the timely completion of this work. Future reports to you will include the status of timely completed work. We are in the process of reevaluating the report to ensure that it meets the needs of the Board and fulfills the intent of the initial Board order.

Corrective Action Plan

To date, one member of the Housing Advisory Board is pending completion of the training as required by the Corrective Action Plan (CAP). As had been previously reported, HUD has closed all other items of the CAP.

HUD OIG Audit on Tenant Eligibility and Annual Reexaminations

As previously reported, we submitted our formal response to the HUD OIG audit on March 22. We received a response from local HUD Director, K.J. Brockington on June 16, 2008. Ms. Brockington did not address the \$3.6 million reimbursement, the future withholding of administrative payments, and personnel directives in her response. I will be submitting to the Board a comprehensive review of her letter in the immediate future. In the interim, I have asked Gregg Fortner, our Housing Authority consulting Assistant Executive Director, to meet with Milan Ozdinec, Deputy Assistant Secretary for Public Housing and Voucher Programs, on July 18 to initiate discussion on how to bring successful resolution to these issues.

HUD OIG Financial Audit

As previously reported, HUD has recommended an audit of our financial systems. This is a new audit to be conducted by OIG. An entrance conference was held with OIG personnel on July 10, 2008 to review the scope of work. The objective is to determine whether Section 8 funds were spent in accordance with HUD rules and regulations. The initial work, to be conducted over a 60-day period, will consist of surveying our financial records. If any discrepancies are noted, a recommendation may be made for a comprehensive audit.

HUD's On-Site Confirmatory Review for FY 2007

HUD's onsite confirmatory review of our SEMAP certification for fiscal year ending 06-07 took place the week of June 16, 2008. The review team will return the week of July 28, to complete the review. However, we anticipate receiving a preliminary report shortly on the work that has been reviewed thus far which will likely result in a reduction of SEMAP points for specific indicators, that will likely result in a Troubled status rating. However, it is important to note that we have completed fiscal year 07-08 and believe our SEMAP score has improved enough to achieve a Standard status rating. HUD has not yet scheduled the onsite confirmatory review for FY 07-08.

YARDI Status

Implementation was completed on July 1, 2008. An independent review of the conversion to the new system and related processes is taking place at this time. I will report the outcome on my next report to you.

Socialserve.com, Los Angeles Housing Resource Center

For a 28-day period between June 13 and July 11, 2008, Socialserve.com averaged 5,343 total listings (an 8% increase), 3,610 participating landlords (a 7% Increase), and 127,798 housing searches (a 4% increase).

Call Center

Our Call Center is receiving an average of 5,044 calls per week (a 3% increase over last month), with an actual total of 20,175 for the period between June 13, 2008 and July 11, 2008. The increase in calls is primarily due to lease-up activity.

HUD-VASH Vouchers

We are working with the City of Long Beach and the Housing Authority of the City of Los Angeles (HACLA), who received 70 and 840 vouchers, respectively.

To date, HACLA has hired 6 new staff responsible for the administration of the HUD-VASH vouchers and is waiting for the Veterans Administration to hire case managers to completely roll out the program. HACLA currently has 11 referrals from the Veterans Administration Hospital in the City of Los Angeles. Los Angeles County residents are eligible for the VASH voucher under the current portability rules.

Additionally, the following activities have taken place:

- 1) Lois Starr, Acting Director of Housing Development and Preservation (HD&P), met with the Veterans Affairs Director in July 2008;
- 2) HACoLA held a VASH vouchers strategy session on 7/10/08;
- 3) HACoLA staff has contacted both HACLA and the City of Long Beach Housing Authority to learn the status of their VASH voucher allocation; both agencies are operating their programs in the same manner;
- 4) HACoLA staff from the Assisted Housing Division (AHD) and the Special Needs Housing Unit (SNHU) attended HACLA's VASH stakeholder meeting on 7/15/08;
- 5) Lois Starr, Flora Gil Krisiloff, Homeless Deputy for the Third District, and I met with William Daniels, Director of the Brentwood Veterans Administration in May 2008;
- 6) HACoLA and the CDC will schedule a meeting with HACLA and the City of Long Beach Housing Authority in the near future to assure that veterans currently residing in L.A. County will have access to the vouchers and to establish protocols for communication between the agencies;

Each Supervisor
July 17, 2008
Page Four

- 7) A regional Housing Authorities meeting with local HUD Director K.J. Brockington, is tentatively scheduled for late July; the issue of additional agencies accessing VASH vouchers will be discussed at this meeting.

Please contact me should you have any questions or need additional information.

c: Lari Sheehan, Chief Deputy Executive Officer
Sachi A. Hamai, Executive Officer/Clerk Board of Supervisors
Each Deputy

Housing Authority - County of Los Angeles

July 23, 2008

FOR YOUR INFORMATION ONLY

TO: Housing Commissioners

FROM: Margarita Lares, Director
Assisted Housing Division

RE: **THE FAMILY SELF-SUFFICIENCY (FSS) PROGRAM**

FSS Program Update for July

The Family Self-Sufficiency (FSS) Program is a HUD initiative intended to promote the development of local strategies to enable families both in public housing and the Housing Choice Voucher Program to achieve economic independence and self-sufficiency.

This report is provided to the Housing Authority of the County of Los Angeles Housing Commissioners on a monthly basis.

FSS Program Update for June

- The Family Self Sufficiency staff continued its ongoing recruitment efforts, with a total of 22 new applications. All were eligible for the Family Self Sufficiency Program.
- Staff completed the enrollment of 7 new participants during the month of June.
- Workshop for Money Smart credit repair course "To Your Credit", was conducted on July 19, 2008 at the Housing Authority's Palmdale office.
- 247 inquiry letters and applications for the FSS program were mailed to qualified and interested families.

Resource and Referrals

- Resource information on the WorkSource Network, Adult Education, and Job Fair information were disseminated during recruitment and case management activities.
- Provided resource information for employment opportunities, budgeting, money saving tips and homeownership workshops to 9 FSS participants and applicants during June appointments.

- FSS staff referred 8 FSS applicants to WorkSource Centers for job search assistance and 6 FSS participants for resume writing and review assistance. FSS staff assisted one disabled participant in writing a resume, cover letter, and referring job leads, handicap access accessible WorkSource centers and training units.
- FSS staff referred 5 FSS participants to the CDC Home Ownership Program (HOP) per the participant's request.
- FSS staff assisted over 400 FSS participants with general Housing Choice Voucher questions, FSS Program inquiries and supportive services information.

Graduates

- FSS staff received and processed 8 graduation requests for the month of June from the Family Self Sufficiency program. FSS staff also scheduled 8 participants to graduate on July 2, 2008.
-
- The FSS Program staff conducted two individual graduation ceremonies during the month of June, increasing the total number of graduates for fiscal year 2007 – 2008 to 51. A total of \$400,744.42 in escrow payments were disbursed during this program year.

If you have any questions, please feel free to contact me at (562) 347-4837.

ML:rag

HOUSING AUTHORITY COUNTY OF LOS ANGELES - CONVENTIONAL AND NON-CONVENTIONAL HOUSING

FOR YOUR INFORMATION ONLY

GROUP NO.	SITE	HUD DEV. NO.	PROJECT NUMBER	ADDRESS	Acquired	NO. OF UNITS
1	Carmelitos (family)	CA16P002001	SS1102	700 Via Wanda, Long Beach 90805	1938/1986	558
1	Carmelitos (senior)	CA16P002026	SS1102	761 Via Carmelitos, Long Beach 90805	1938/1986	155
Total Unit Count: Carmelitos						713
2	Harbor Hills (family/senior)	CA16P002002	SS1203	26607 S. Western Ave., Lomita 90717	1941	301
Total Unit Count: Harbor Hills						301
3	Nueva Maravilla (family/senior)	CA16P002004	SS1301	4919 E. Cesar E. Chavez Ave., Los Angeles 90022	1972	504
Total Unit Count: N. Maravilla						504
4	West Knoll (senior)	CA16P002014	SS3001	838 West Knoll Ave., West Hollywood 90069	1977	136
4	Palm Apartments (senior)	CA16P002014	SS3002	959 Palm Ave., West Hollywood 90069	1978	127
Total Unit Count: West County 1						263
			Admin Project XX0930			
5	Marina Manor I (senior)	CA16P002013	SS3003	3401 Via Dolce, Marina Del Rey 90292	1983	112
5	Marina Manor II (senior)	CA16P002027	SS3003	3405 Via Dolce, Marina Del Rey 90292	1983	71
5	Ocean Park (family/senior)	CA16P002018	SS3006	175 Ocean Park Boulevard, Santa Monica 90405	1947	22
5	Monica Manor (family)	CA16P002097	SS3007	1901-1909 11th Street, Santa Monica 90405	1987	19
Total Unit Count: West County 2						224
			Admin Project XX0935			
6	Orchard Arms (senior)	CA16P002030	SS2001	23410-23540 Wiley Canyon Rd., Valencia 91355	1980	183
6	Foothill Villa (senior)	CA16P002029	SS2002	2423 Foothill Boulevard, La Crescenta 91214	1981	62
6	Quartz Hill I (family)	CA16P002062	SS2003	5028 West Avenue L-12, Quartz Hill 93536	1984	20
6	Quartz Hill II (family)	CA16P002069	SS2003	42051 51th Street West, Quartz Hill 93536	1984	20
Total Unit Count: North County						285
			Admin Project XX0920			
7	Francisquito Villa (family)	CA16P002015	SS4002	14622 Francisquito Ave., La Puente 91746	1979	89
7	Carmelita Avenue (senior)	CA16P002091	SS4003	354-354 So. Carmelita Ave., Los Angeles, 90063	1975	2
7	McBride Avenue (family)	CA16P002021	SS4004	1229 So. McBride Ave., Los Angeles, 90023	1968	4
7	Williamson Avenue (family)	CA16P002020	SS4005	706-706 1/2 So. Williamson Ave., Los Angeles, 90022	1972	4
7	Triggs Street (family/senior)	CA16P002097	SS4006	4432-4434 1/2 Triggs St., Los Angeles 90023	1964	4
7	Simmons Avenue (family)	CA16P002021	SS4007	927 So. Simmons Ave., Los Angeles, 90022	1939	4
7	4th & Mednick (family)	CA16P002034	SS4009	341 So. Mednick Ave., Los Angeles, 90022	1985	2
7	Arizona & Olympic (family)	CA16P002048	SS4010	1003-1135 So. Arizona Ave., Los Angeles 90022	1984	18
7	Whittier Manor (senior)	CA16P002033	SS4011	11527 Slauson Ave., Whittier 90606	1986	49
7	Herbert Ave (senior)	CA16P002058	SS4012	133 Herbert Ave., Los Angeles 90063	1985	46
7	Sundance Vista (family)	CA16P002156	SS4014	10850 Laurel Ave., Whittier 90605	1999	41
Total Unit Count: East County						283
			Admin Project XX0940			
8	El Segundo I (family)	CA16P002023	SS5001	1928/3749 E. El Segundo Blvd., Compton 90222	1972	30
8	South Bay Gardens (seniors)	CA16P002032	SS5002	230 E. 130th St., Los Angeles 90061	1981	100
8	1115-16 W. 90th St. (family)	CA16P002091	SS5005	1115-16 W. 90th St., Los Angeles 90044	1986	18
8	El Segundo II (2140) (family)	CA16P002052	SS5015	2140-2144 1/2 E. El Segundo Blvd., Compton 90222	1985	13
8	El Segundo II (2141) (family)	CA16P002061	SS5015	2141-2145 E. El Segundo Blvd., Compton 90222	1985	5
8	9104-18 S. Bandera St. (family)	CA16P002080	SS5016	9104-18 S. Bandera St., Los Angeles, 90002	1961	8
8	1535 E. 83rd Street (family)	CA16P002080	SS5017	1535 E. 83rd St., Los Angeles 90002	1985	2
8	1615-17 E. 87th Street (family)	CA16P002067	SS5018	1615-17 E. 87th St., Los Angeles 90002	1985	4
8	8739 Beach St. (88th & Beach) (family)	CA16P002056	SS5019	8739 Beach St., Los Angeles 90002	1985	4
8	4212-20 E. Addington Street (family)	CA16P002071	SS5020	4212-20 E. Addington St., Compton 90221	1984	3
8	W. Imperial (family)	CA16P002132	SS5026	1221 & 1309 E. Imperial Hwy., Los Angeles 90044	1992	9
8	Athens (family)	CA16P002127	SS5027	1120 W. 107th St., 1310 W. 110th St., & 11104 S. Normandie Ave., Los Angeles 90044	1996	10
8	1527 E. 84th (family)	CA16P002107	SS5029	1527 E. 84th St., Los Angeles 90001	1998	4
8	Jarvis Avenue (family)	CA16P002107	SS5030	12920 Jarvis Ave., Los Angeles 90061	1997	1
8	Woodcrest I (family)	CA16P002066	SS5003	1239 W. 109th St., Los Angeles 90044	1983	10
8	Woodcrest II (family)	CA16P002090	SS5003	1245 W. 109th St., Los Angeles 90044	1983	10
8	1101-09 W. 91st (family)	CA16P002021	SS5006	1101-09 W. 91st St., Los Angeles 90044	1965	16
8	1232-34 E. 119th (family)	CA16P002021	SS5007	1232-34 E. 119th St., Los Angeles 90059	1955	2
8	1231-33 E. 61st (family)	CA16P002021	SS5008	1231-33 E. 61st St., Los Angeles 90001	1961	6
8	1100 W. 106th Street (family)	CA16P002021	SS5009	1100 W. 106th St., Los Angeles 90044	1970	10
8	1104 W. 106th Street (family)	CA16P002020	SS5009	1104 W. 106th St., Los Angeles 90044	1970	10
8	1320 W. 107th (family)	CA16P002021	SS5010	1320 W. 107th St., Los Angeles 90044	1970	18
8	11431-463 S. Normandie (family)	CA16P002020	SS5011	11431-463 S. Normandie Ave., Los Angeles 90047	1970	28
8	1027-33 W. 90th (family)	CA16P002078	SS5014	1027-33 W. 90th St., Los Angeles 90044	1986	6
8	W. 106th Street & Budlong (family)	CA16P002079	SS5021	1334-38 W. 106th St. 9410 & 11126 Budlong Ave., Los Angeles 90044	1984	11
8	W. 94th & 95th Street (family)	CA16P002060	SS5022	1035-37 1/2 W. 94th St. & 1324 W. 95th St., Los Angeles 90044	1985	8
8	W. 105th & 106th (family)	CA16P002124	SS5024	1336-40 W. 105th St. & 1057 W. 106th St., Los Angeles 90044	1991	13
8	Century Wilton (family)	CA16P002020	SS5025	10025 Wilton Place, Los Angeles 90047	1965	40
8	11248 S. Budlong (family)	CA16P002138	SS5028	11248 S. Budlong, Los Angeles 90044	1996	6
8	1111th & Firmona	Pending	SS5031	11117 & 11119 Firmona Ave., Lennox 90304	2008	2
8	Lindsey	Pending	SS5032	4621 & 4625 Linsley St., Compton 90221	2008	2
Total Unit Count: South County						489
			Admin Project XX0950			

Total Housing Authority-Owned - Conventional**2,962****City of Lomita - Conventional**

Lomita Manor (senior)

SS1204

24925 Walnut St., Lomita 90717

78

Non-Conventional Housing

Non-Conventional Housing					
	Kings Road JPA (senior)	UU0001	800-801 N. Kings Road., West Hollywood 90069	1980	106
	Lancaster Homes (senior)	UU0002	711-737 W. Jackman St., Lancaster 93534	1978	120
	Santa Monica RCHP (family)	SS3005	1855 9th St., 1450 14th St., & 2006 20th St., Santa Monica 90404	1983	41
	Villa Nueva RHCP (family)	SS4013	958-676 S. Ferris Ave., Los Angeles 90022	1985	21
	Willowbrook (family)	SS6001	11718-11740 Willowbrook Ave., Los Angeles 90044	1975	8
	Ujima Village (family/senior)	SS8001	941 E. 126th St., Los Angeles 90059	1971	300
					596

Total Number of Units- HM**3,636**

NEWS ARTICLES

Housing Affairs Letter Stories posted week of 6/21/08 - 6/27/08

Affordable Housing

HUD Signs Off On Housing Plan

Mississippi: In his first major move since taking over as HUD secretary, Steven Preston accepts a \$350 million plan from Mississippi officials to build thousands of affordable homes as part of the state recovery from Hurricane Katrina. The money is part of the state's receipt of Community Development Block Grant supplemental appropriations to help the state emerge from the 2005 storm.

The project, Mississippi's Long-Term Work Force Housing plan, will provide grants and loans to communities, nonprofit groups and private developers to build 12,000 affordable homes in four Gulf Coast counties. The homes will be constructed in mixed-income neighborhoods.

06/27/2008 12:21 PM

Eminent Domain

High Court Blocks Atlantic Yards Case

The U.S. Supreme Court rejects an eminent domain petition related to the Atlantic Yards project in Brooklyn on the third anniversary of the controversial ruling that turned eminent domain into a prominent national land use issue. The court's June 23 decision in *Goldstein et al v. Pataki et al* leaves affected residents and property owners trying next in New York state courts to battle against the use of eminent domain to take over land in the Flatbush section of Brooklyn.

One justice, Samuel Alito, argued in favor of taking the case but lacked the three other supporters necessary for the court to hear arguments in the October session. Atlantic Yards, one of the nation's largest redevelopment efforts, would be the site of the new 19,000-seat \$950 million Barclays Center, as well as 11 residential towers that would loom over the surrounding area, and eight acres of open space.

The court's decision comes on the third anniversary of *Kelo v. City of New London*, the court's ruling in a Connecticut case that emboldened cities to use eminent domain for economic development purposes. Since 2005, however, 42 states have passed laws or approved ballot initiatives to restrict the practice.

While most cases moving through the courts are designed to attack *Kelo* in one way or another, the Goldstein case actually uses *Kelo* to argue on behalf of the plaintiffs. The plaintiffs argue that the court's claim in *Kelo* that taking property under the pretext of a public purpose is prohibited must be upheld. The need to use *Kelo* as a defense arises from a federal appeals court decision in Goldstein that says takings should be immune from judicial scrutiny if there is even a minimally plausible pretext, such as blight elimination. The plaintiffs argue this is the situation in *Goldstein*.

Matthew Brinkerhoff, the lead attorney for the plaintiffs, says that while the 11 plaintiffs in the case are disappointed by the Supreme Court's decision, they still believe their claim is sound. "New York State law, and the state Constitution, prohibit the government from taking private homes and businesses simply because a powerful developer demands it," he says in a statement from the local activist group Develop Don't Destroy Brooklyn. "Now we will turn to the state courts to vindicate our rights. We will soon file an action in New York state court under state law as we were expressly permitted to do by the rulings of the federal courts."

--Thomas Harman

06/27/2008 12:31 PM

Eminent Domain Use Hurt City Growth

Baltimore's revitalization efforts may have helped the Inner Harbor and downtown area, but the methods of making it occur--including aggressive use of eminent domain--has been harmful to the remainder of the city, a new Institute for Justice study says.

The report, *Baltimore's Flawed Renaissance: The Failure of Plan-Control-Subsidize Redevelopment*, is issued on the third anniversary of the *Kelo v. New London* U.S. Supreme Court ruling that encouraged cities to use eminent domain for economic development purposes.

The report charges that development subsidies made by city officials during the last half-century failed to translate into benefits for citizens who were not given tax breaks as developers were. It covers the areas of high-rise housing, the Interstate 70 "highway to nowhere" that stops in west Baltimore, and the failed efforts to condemn the Baltimore Colts football team.

While Baltimore needed to redevelop, backers of how the city did so argue that using eminent domain was needed to do so to rescue the downtown. The authors, however, write that eminent domain's contribution to redevelopment has been on the whole a negative one. "The city's lack of progress on so many fronts is a direct by-product of its failure to understand and treat the real source of its problems: hostility to private property rights and a resulting flight of capital that largely drained the city of its economic lifeblood," the authors say.

Those who support the way in which Inner Harbor construction occurred say eminent domain benefits were vital in making this happen, says Christina Walsh, coordinator of the Castle Coalition, a property rights arm affiliated with the Institute for Justice. But she says the city's efforts have devastated the rest of the city. "The proponents of eminent domain for private gain can't hide behind the Inner Harbor anymore," she says.

The report says the disinvestment from Baltimore that has occurred during the past 50 years has not been addressed. The policies to "plan, control and subsidize" in redevelopment areas are the opposite of those that would have created a better investment climate. Using eminent domain--or threatening its use--resulted in creating slums where there had been none previously.

Info: Castle Coalition, 703/682-9320

06/27/2008 12:42 PM

Homelessness

Los Angeles Remains Homeless Capital

California: While the number of homeless people in Los Angeles County dropped by 15,000 in the last two years, almost 142,000 people were homeless at some point in 2007, more than any other major urban area in the country. Almost 80% of the city's homeless population lives on the streets, under overpasses or in ramshackle encampments. By comparison, New York and Philadelphia shelter 90% of their homeless populations.

The Report Card on the State of Homelessness in Los Angeles County, compiled by the Inter-University Consortium Against Homelessness gives the city failing grades in affordable housing and homeless civil liberties while supportive housing and workforce opportunities are categorized with a D-rating.

The report claims Los Angeles built only 8% of the affordable housing units it planned to provide, despite the availability of a multimillion-dollar affordable housing trust fund. By contrast, the city has lost more than 11,000 affordable units since 2001.

06/27/2008 12:18 PM

Low-Income Housing

Crackdown On Sec. 8 Landlords

Pennsylvania: Allentown Housing Authority (AHA) officials say they will tighten oversight of Sec. 8 landlords in an attempt to accelerate repairs. Under HUD rules, landlords must face annual inspections and problems must be corrected within 30 days.

Until now, AHA would withhold rent subsidies until landlords repaired the items found faulty during inspections. But if it took longer than 30 days, landlords received their subsidies retroactively. Now, after 30 days, landlords will lose rent every day repairs aren't completed.

The change was initiated after an inspection showed AHA was handling the abatement process improperly by easing the 30-day rule to allow full payment retroactively. About 100 landlords have been told they now will lose a day's rent on day 31 and each day afterward. The lost rent will not be reimbursed.

06/27/2008 12:15 PM

Public Housing

HUD Clobbers PHAs With New Cuts

A notice sent out early June 26 to all public housing authorities (PHAs) as a routine message turns out to be a new 2% cut in operating subsidies. The directive makes the

cuts retroactive to Jan. 1, which means the cut is 4%, considering PHAs already have budgeted their spending according to HUD's initial subsidy projections.

While it isn't the first time HUD has undercut PHAs on operations while insisting they operate efficiently as a business--the last time lower level HUD officials sent a notice without even telling then Asst. Secy. Orlando Cabrera or warning him to prepare for an avalanche of criticism--it is the cavalier fashion of the notice that has PHAs in an uproar.

PHAs have been operating at 84% of the minimum amount needed for basic operations, a result of attempts by the Bush administration to marginalize public housing in favor of homeownership and housing voucher assistance. To complicate matters, HUD repeatedly refused to allow PHAs to use up to 20% of their capital improvement subsidies to supplement operational costs, even in light of soaring utility costs. Congress has tried to force HUD compliance with provisions of the Quality Housing & Work Responsibility Act of 1998, with little success. The law allows such fund transfers.

This time, apparently to keep the issue in low profile, HUD directed its field offices to notify PHAs. While the new cut amounts to 4% when its retroactive mandate is considered, some PHAs may see as much as a 7% cut because of the convoluted new operating fund formula.

HUD now estimates that formula eligibility has increased by about \$126 million since January, forcing the cut across-the-board to make up the deficit. HUD officials hint the end isn't in sight, though. "Final proration may be higher or lower than estimated based on final review and approval of actual 2008 submissions of PHA subsidy requests," HUD tells PHAs.

Sources tell *HAL* the public housing industry is furious over HUD's lack of consideration in its failure to warn of the cuts. An industry notice was sent immediately to congressional appropriators, considering Congress is deep in its discussions over FY 2009 spending.

Info: www.cdpublications.com/docs/6206

06/26/2008 5:15 PM

* Asset Management Bill Passed By House Committee

The House Financial Services Committee passed an asset management bill this week that would prevent HUD from restricting the amount of management fees that a housing authority may charge, unless the restriction is determined pursuant to a negotiated rulemaking. The provision was championed by CLPHA.

The June 25 voice vote represents the second time the committee marked up and passed asset management legislation this year. The previous version made it as far as the house floor, where Rep. Michelle Bachmann (R-MN) proposed an amendment that would have prevented housing authorities from signing lease agreements that prevent legal gun ownership in public housing. The House sent the bill, with the Bachmann amendment, back to the committee. Rather than use the bill altered by the Bachmann amendment as a starting point, Chairman Barney Frank (D-MA), with input from CLPHA, brokered an agreement.

H.R. 6216 — the Asset Management Improvement Act of 2008 — includes provisions that:

- ▶ Increase the threshold for housing authorities to be exempt from asset management to those that operate 500 or fewer public housing units;
- ▶ Prohibit HUD from restricting the use of capital funds to pay for central office costs beyond current law;

(Continued on p. 3)

PHAs Work to Create Future of Public Housing; Northwest Examples Highlighted *

The future of public housing — greener, economically self-sustaining, more commuter friendly, physically integrated with public services and retail businesses, and representing a significant piece of an increasingly diverse portfolio — is happening right now.

That was part of the message more than 60 PHA executive directors and senior level PHA staff from across the nation heard last week at CLPHA's June 18-20 meeting in Seattle. Co-hosted by the King County and Seattle PHA's, the two-and-a-half day gathering highlighted the successes and challenges faced by Northwest authorities, who rank among the most innovative in the nation.

An early highlight of the meeting were walking tours of High Point (Seattle) and Greenbridge (King County), award-winning HOPE VI communities that combine beautifully designed rental and homeownership units with environmentally-friendly engineered neighborhoods. The communities were stunning — High Point offering an unparalleled view of the city, Greenbridge

(Continued on p. 2)

Subcommittee Supports \$300 Million Increase for Op Fund, \$61 Million for CAP

Funding for key public housing and Section 8 accounts would increase beyond both current levels and the president's request for next year, but still fall far short of what housing authorities need to administer their programs under an appropriations measure approved by the House Subcommittee on Transportation and HUD earlier this week.

The \$108.3 billion FY 2009 appropriations subcommittee legislation includes a \$300 million increase — to \$4.5 billion — for the Operating Fund and a \$61 million boost, from \$2.439 billion to \$2.5 billion — in the Capital Fund over this year's levels. Both the Operating and Capital Funds, however, would still be significantly underfunded, according to CLPHA and its industry partners, which recommended \$5.3 billion for the Operating Fund and \$3.5 billion for the Capital Fund.

The subcommittee recommends \$120 million in funding for the HOPE VI program, an increase of \$20 million over current levels. The president recommended eliminating the HOPE VI program.

In other areas, the subcommittee legislation includes:

- ▶ \$75 million to fund 10,000 new housing vouchers for homeless veter-

(Continued on p. 3)

PHAs Create Public Housing Future

(Continued from p. 1)

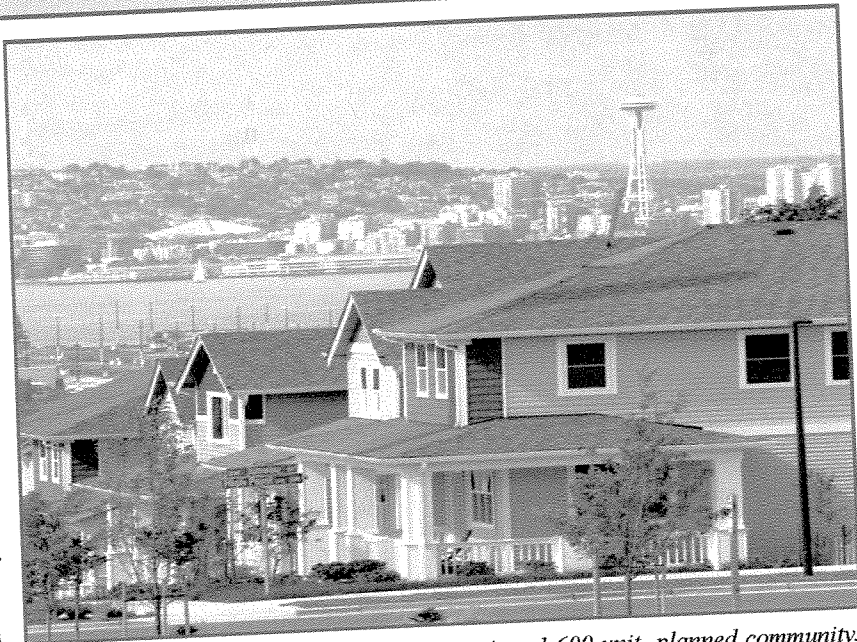
a mix of public art and amenities that astound. But aesthetics aside, four Northwest PHA executive director's told attendees, there are numerous issues that must be considered in order to turn a vision into a genuine community.

Tom Tierney, executive director of the Seattle PHA, and Steve Rudman, executive director of Portland's PHA, agreed that an on-site "community builder" – a staff person who facilitates interaction, services and activities for residents – has been vital to the success of their HOPE VI communities. At Portland's New Columbia community, said Rudman, the community builder has been "absolutely vital" to the development's ongoing success.

Pretty buildings and pleasant landscapes are necessary but not sufficient to ensure success, the executive directors agreed. HOPE VI communities, said Tacoma Executive Director Michael Mirra, represent the "most diverse" mix of race, age, ethnicity, income, faith, and tenure (rental or homeownership) of any developments in the nation.

Further, said King County's Stephen Norman, partnerships with a whole range of entities (Boys & Girls Clubs, libraries and schools, law enforcement officials and recreation departments, retail shops, health care services) are essential. Those services and activities, said Mirra, should be "visual part of your walking landscape" – not hidden away as a seeming afterthought. The Tacoma Housing Authority is the developer of Salishan, a HOPE VI community and winner of the

(Continued on p. 4)



High Point is a 120-acre, ecologically-conscious, 1,600-unit planned community. The homes are a mix of market-rate homes for sale and affordable rentals. For sale homes include condominiums, townhomes, flats, carriage homes, single family homes and duplexes. The neighborhood also features independent living and assisted living facilities for seniors, a new branch library, medical center and planned neighborhood shopping. "Our goal at High Point was to knit this former post-war housing project back into the fabric of West Seattle, creating a mixed income, mixed use, diverse neighborhood typical of Seattle's thriving lifestyle," said Tom Phillips, Seattle Housing Authority, leader of the High Point Development team. ■



One hundred eighty-five households, approximately 517 former residents of the '40s era public housing development known as Park Lake Homes, have moved into the new Greenbridge community. Of these first residents, 60% are families or individuals and 40% are seniors. Colorful, new, energy-efficient rental homes have replaced the barracks-style duplexes that formerly dotted the 95-acre site. Pictured above is a community garden at Greenbridge. ■

Appropriations

(Continued from p. 1)

ans through the Veterans Affairs Supportive Housing program, otherwise known as the VASH program;

► \$30 million for 4,000 new housing vouchers for the disabled;

► \$75 million for foreclosure counseling and assistance to assist more than 200,000 families at risk of losing their homes; and

► \$1.69 billion for Homeless Assistance Grants, an additional \$55 million above the President's request and more than \$100 million more than last year.

Subcommittee chairman John Olver (D-MA) indicated that the panel did its best to preserve housing programs in a difficult budget environment. "Within the rest of the housing budget, we were able to restore the Administration's most detrimental cuts to affordable housing and community development programs," said Olver. "The Administration has systematically worked to underfund affordable housing and community development programs and the President's fiscal year 2009 budget request for HUD is no exception."

Committee Approves Asset Management Bill

(Continued from p. 1)

► Ensure tenant participation in public housing;

► Require that a housing authority in receivership will ensure tenant participation in public housing; and

► Prevent illegal immigrants from receiving assistance for public housing.

H.R. 6216, however, also includes the Bachmann provision that prevents a housing authority from entering into a lease agreement that prohibits the legal possession of a firearm. But the bill now also explicitly allows a housing authority to evict a tenant for the illegal use of a firearm that is interfering with the safety of the premises by other residents.

Rep. Maxine Waters (D-CA), an original co-sponsor of the bill, objected to the gun provisions in the legislation. She introduced an amendment to the bill that would have removed any gun

The full Appropriations Committee is expected to take up the measure after the July 4 recess. ■

language. "For years we have told housing authorities to eliminate crime from housing projects, while they have unfortunately seen a 27% reduction in operating subsidy since FY 2001 and have had all safety spending cut from their budgets," said Waters. "Now, this bill tells them, that in areas of great concentration of poverty, rampant gang violence, and among stories of daily gun fire, that they should allow more guns into the housing projects. This is wrong. Instead, we should be telling residents that if you want to own a gun in public housing, then we don't want you there."

Rep. Randy Neugebauer (R-TX) argued that poverty, regardless of the circumstances, should not be a reason to strip citizens of their gun rights. Frank and Rep. Carolyn McCarthy (D-NY) noted that the compromise would allow legal guns in public housing, but also empower housing authorities to evict residents for illegal use of guns.

Meanwhile, on Tuesday, the committee marked up and passed The Lead-Safe Housing for Kids Act of 2008, H.R. 6309. The bill seeks to amend the definition of an *Environmental Intervention Blood Lead Level (EIBLL)* from the current definition of "20 micrograms (ig) of lead per deciliter (dl) or above of blood on a single test, or 15-19 ig/dl in two tests of a child under age 6 years old, taken at least 3 months apart" to a single test of 10 ug/dl. When a child is found to have EIBLL, the owner and/or Public Housing Authority (PHA) have specific requirements to make sure that lead paint hazards are evaluated and controlled, and that the unit is safe for continued occupancy.

Rep. Shelley Moore Capito (R-WV) proposed an amendment, approved by the committee, which would prevent the new requirements from going into effect unless funding is provided to cover the costs of administration of the new requirements. ■

COMPARATIVE FUNDING CHART FOR FY 2009

	FY2008 Final	FY2009 Industry Need	FY2009 HUD Request	FY09 House Subcommittee Allocations
Operating Fund	\$4.2 billion	\$5.3 billion	\$4.3 billion	\$4.5 billion
Capital Fund	\$2.439 billion	\$3.5 billion	\$2.024 billion	\$2.5 billion
HOPE VI	\$100 million	\$800 million	\$0	\$120 million
Housing Choice Voucher (Tenant- Based) Assistance	\$16.426 billion	\$17.127 billion	\$16.039 billion	\$16.571 billion
Rescission of Housing Choice Voucher Tenant- Based Reserves	(\$723) million	\$0	(\$600) million	(\$400) million

PHAs Work to Create Future of Public Housing

(Continued from p. 2)

governor's award for "outstanding achievement in creating livable and vibrant communities."

In other areas, meeting attendees:

► Discussed the Summit on the Future of Public Housing (*CWR*, June 22), agreeing that a new administration offers an opportunity to establish an urban agenda that recognizes public housing as a vital part of the continuum of neighborhood housing options;

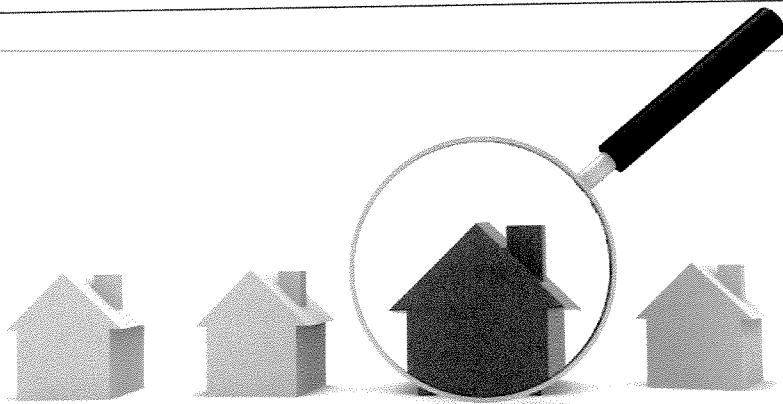
► Heard a presentation of Northwest policies to alleviate homelessness, including the controversial "housing first" program; and

► Interacted with HUD officials, who offered their point of view on Section 8 funding and administration as well as steps being taken to facilitate completion of MTW agencies' standard agreements.

The meeting concluded along the same lines it began, with Northwest agency staff charged with administering development and operations describing the housing authority of the future. The highlights: Public housing will be among a range of assets managed by PHAs, increased services to residents will be key to the success of the deeply subsidized programs, and how authorities will recruit in competition with private sector employers the talent needed to manage increasingly complex programs and initiatives. ■

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The bill would also establish Fannie Mae-Freddie Mac goals for the purchase of energy-efficient and location-efficient mortgages on single-family, owner-occupied housing.

The annual energy-efficient mortgage goals would be 5 percent of the single-family, owner-occupied mortgage purchases in 2012 through 2016, 10 percent in 2017 through 2021, and 25 percent in 2022 and subsequent years. The comparable goals for location-efficient mortgages would be 3, 6, and 10 percent.

FHA Financing

For FHA financing, the bill would direct HUD to make sure that at all times after December 31, 2012, the aggregate outstanding principal balance on mortgages for single-family housing meeting energy-efficiency standards is at least \$1 billion.

HUD would also be required to establish incentives for increasing the energy efficiency of FHA-financed multifamily housing. The incentives would have to include a discount on the mortgage insurance premium and could include an increase in the allowable mortgage limits and a reduction in the owner's required equity contribution.

Another provision would establish a pilot subordinate loan program to finance energy conservation improvements on Section 221(d)(3), Section 221(d)(4), and Section 236 projects with project-based Section 8 on at least half of the units.

Other Provisions

The bill would authorize a residential energy efficiency block grant program, providing grants to states, metropolitan cities and urban counties, Indian tribes, and insular areas to carry out energy-efficiency improvements in new and existing single-family and multifamily housing.

It would also authorize a \$5 billion revolving loan fund in the Treasury Department to make loans to states and Indian tribes to provide incentives to owners of single-family and multifamily housing, commercial properties, and public buildings for energy-related improvements.

In addition, the measure would amend the HOPE VI program to provide for PHAs to receive the full financial benefit from any utility cost savings under a third-party contract for energy conservation improvements and to add a mandatory green development component to revitalization plans.

The bill would also amend the Community Reinvestment Act (CRA) to provide CRA credit to financial institutions for energy-efficient mortgages and green building efforts, and it would require appraisals in connection with federally related real estate transactions to take into account energy-efficiency or energy-conservation improvements.

Views on Legislation

In endorsing the bill at the June 11 hearing, Doris W. Koo, president and chief executive officer of Enterprise Community Partners, said green development offers "proven, cost-effective ways to address current and long-standing housing challenges, rising energy and transpor-

tation costs, and the effects of global warming, while creating jobs at potentially huge scale."

However, Koo cautioned against moving too quickly to impose green building requirements on all affordable housing. She said the criteria "should be phased in and accompanied by resources to enable developments to meet new requirements cost-effectively."

Jerry Howard, executive vice president and chief executive officer of the National Association of Home Builders (NAHB), noted NAHB's commitment to green building, but expressed doubts about the ability of the legislation as currently structured to achieve its goals. He warned that the imposition of unrealistic goals for energy efficiency on affordable housing programs could result in the development of fewer units.

Howard also argued that providing CRA credit for energy efficiency activities would undermine the original intent of the statute and dilute investment in underserved areas.

Alan George, executive vice president and chief investment officer of Equity Residential, who testified on behalf of the National Multi Housing Council and National Apartment Association, voiced concerns about the energy-efficiency incentives for FHA multifamily financing, including the MIP discount.

"While we agree that it is useful to create an incentive structure within FHA, we are concerned about setting a precedent that would allow the calculation of the MIP to be altered for one set of properties (i.e., those that are energy-efficient) with the result being that other properties may be forced to have higher rates," George said.

SECTION 8

Portland Housing Authority Adopts Biennial Inspections for Units With Good Maintenance Record

The Housing Authority of Portland, Ore., (HAP) expects to reduce the number of Section 8 housing quality standards (HQS) inspections during fiscal 2009 after completing a transition to a biennial inspection schedule for properties with a history of good maintenance.

HAP has adopted biennial inspections as part of its Moving-to-Work (MTW) program, which allows program waivers and funding flexibility.

To qualify for biennial inspections, a housing unit must also be occupied by a household with a record of good tenancy that has not moved within the previous two years. HAP also allows additional inspections provided upon request. A total of 1,600 voucher participants have qualified for a biennial inspection schedule out of 7,476 vouchers which HAP administers.

Waiting Time Reduced

HAP said it has reduced the waiting time to get inspections completed. During fiscal 2008, which ended March 31, the wait for an initial Section 8 inspection decreased from 10 to five working days. HAP said its goal in fiscal 2009 is to cut the response time to three working days.

HAP also said it is continuing to reduce the time it takes to process a contract and remit payments for new move-ins and has set a goal of completing this process within two to three weeks.

HAP said that its policy of conducting whole-building inspections in the Section 8 program has proved successful and has resulted in a savings in staff time, allowing it to increase services in other areas.

The housing authority said that for both the owner and tenant, preparation is the key to passing a large number of units on the initial inspection. After evaluating the causes of failed HQS inspections, HAP has developed tip sheets for tenants and landlords to help them prepare for the inspection.

Portable Vouchers

In another program objective for fiscal 2009, HAP will not allow Section 8 tenants to port out of its jurisdiction of Multnomah County unless they have successfully completed 12 months in the program. HAP said this both ensures that the program helps families who truly choose to live in the county and promotes administrative efficiency.

HAP also will no longer require owners to enter into a new housing assistance payments contract in the event of a utility or rent change for a unit already under contract. A new contract will be required only when a resident moves into a new unit.

The utilization rate for HAP's tenant-based Section 8 vouchers has varied from 98 to 100 percent in recent years, but the utilization rate for its 986 project-based vouchers has been lower, recently 96.8 percent. One of HAP's goals is to increase the utilization rate for project-based vouchers to 98 percent. Many of the project-based vouchers are provided to disabled tenants, and there traditionally has been a high turnover of these efficiencies and one-bedroom units, said HAP.

MORTGAGE FINANCE

Guidance Provided on Risk-Based FHA Mortgage Insurance Premiums

HUD has provided guidance on the risk-based FHA single-family mortgage insurance premium (MIP) structure that will be implemented on July 14, with up-front and annual MIPs to be based on a combination of the borrower's credit score and the loan-to-value (LTV) ratio.

The risk-based MIPs apply to the basic Section 203(b) home loan program, Section 203(k) rehabilitation loans, and Section 234(c) condominium unit loans. They don't apply to other programs, including the home equity conversion mortgage (HECM) program.

According to a matrix in Mortgagee Letter 2008-16, issued June 11, for loans with a term of more than 15 years, up-front premiums will range from 125 to 225 basis points, with annual MIPs of 50 or 55 basis points.

Premium Range

For example, if the borrower has a "decision credit score"

of 680 to 850 and the LTV ratio is no higher than 90.00 percent, the up-front MIP will be 125 basis points, and the annual premium will be 50 basis points.

At the other end of the scale, if the borrower's credit score is 500 to 559 and the LTV ratio is higher than 95 percent, the up-front premium will be 225 basis points (200 for a first-time home buyer with HUD-approved counseling), and the annual premium will be 55 basis points.

For loans with a term of no more than 15 years, there will be no up-front premium if the LTV ratio is 90 percent or less and 25 basis points if the LTV ratio is higher than 90 percent. The annual premium will range from 100 to 200 basis points.

For borrowers refinancing delinquent non-FHA adjustable-rate mortgages (ARMs) under the FHASecure program, the up-front MIP will be 225 basis points, regardless of the LTV ratio.

Credit Scores

Borrowers with credit bureau scores must be risk-classified through FHA's TOTAL Mortgage Scorecard, while borrowers without such scores must be underwritten manually.

The decision credit score for a borrower with three scores will be the middle score, and for a borrower with two scores, it will be the lower score. If there are multiple borrowers on the loan, the lowest of their credit scores will be used.

The LTV ratio will be based on the amount borrowed, exclusive of any up-front MIP, as a percentage of the lower of the sales price or appraised value (appraised value for refinancings).

MORTGAGE FINANCE

FHA Financing Can Be Used for Quick Purchase of Foreclosed Homes

The Administration has announced a temporary policy to promote FHA financing for the purchase of vacant foreclosed homes.

Generally, an FHA-insured mortgage can't be used to purchase a home that has been owned by the seller for under 90 days. The policy is aimed at preventing the flipping of properties at inflated prices.

Under the temporary policy announced on June 13, FHA will insure loans to owner-occupants to purchase foreclosed properties being sold by property disposition firms on behalf of lenders. The sales won't be subject to the normal 90-day waiting period.

"A glut of foreclosed and abandoned homes harms neighborhoods, frustrates home buyers, and delays a community's recovery," said Assistant Secretary for Housing-FHA Commissioner Brian D. Montgomery. "The action we take today will allow home buyers to purchase these homes in much greater numbers and ease the excess supply of unsold homes in neighborhoods across the country."

At-Risk Homeowners

In a related development, HUD is mailing hundreds of

dinate section. Moreover, the majority said, under the dissent's interpretation, the plaintiffs wouldn't have a private cause of action against the builders because they didn't sell or rent individual units.

AFFORDABLE HOUSING

Committee Can't Alter Conditions On Permit Without Evidence of Impact on Proposed Development

A housing appeals committee did not have the authority to alter the conditions placed on the approval of a comprehensive affordable housing permit when the developer failed to demonstrate that those conditions made the housing project uneconomic, ruled the Massachusetts Supreme Judicial Court, Suffolk. (*Board of Appeals of Woburn v. Housing Appeals Committee*, *SJC-10014*, 2008 WL 2332514 (Mass.), June 10, 2008)

A developer sought a comprehensive permit to build 32 20-unit buildings and a recreation center, with 20 percent of the housing units to be affordable units. In approving the application, the town zoning board added 50 conditions, including limiting the development to 300 units instead of the 640 proposed.

The developer appealed the decision to the Housing Appeals Committee of the Department of Housing and Community Development, which appointed a hearing officer who held 27 days of evidentiary hearings.

The committee decided that if the board had not articulated a reasonable factual or legal justification for a condition that outweighed the regional need for low- or moderate-housing, it would modify or eliminate the condition. Most significantly, the committee decided that the developer should be allowed to develop 420 units.

Both the board and the developer appealed the decision. A court ruled that the number of units was not supported by the evidence and remanded the case to the committee, not the board, to reconsider. On remand, the developer argued that a 540-unit development was consistent with local needs. The committee agreed, and its decision was upheld by the superior court.

Court Ruling

On appeal, the board argued that the committee exceeded its statutory authority when it revised the conditions imposed by the board, even after finding that the board's conditions did not make the project uneconomic. The court agreed, stating that the "committee brushed aside the language of the governing statute and the regulations of the department and, in so doing, exceeded its authority."

Massachusetts law provides that when a developer's comprehensive application is denied or is granted with conditions or requirements that make the operation uneconomic, the applicant has the right to appeal. The court said the statute clearly states that the committee may review an approval with conditions only if those conditions render the project uneconomic. Implementing regulations are consistent with this language.

The court said the burden is on the developer to show

the development will be uneconomic as approved. Without such a showing, neither statute nor regulation requires the board to demonstrate that its conditions are consistent with local needs. Once the committee determined that the developer failed to show the conditions rendered the project uneconomic, the committee's inquiry should have ended, said the court.

Instead, the committee evaluated each condition as though the board had denied the application. The committee claimed that the board's conditions were so onerous that it was a de facto denial, citing *Settlers Landing Realty Trust v. Barnstable Board of Appeals*, *Housing Appeals Committee*, No. 01-08 (Sept. 22, 2003), to support its conclusion. Further, the committee argued that the *Settlers Landing* decision had the same effect as a properly promulgated regulation and should be entitled to deference by the court.

The court disagreed, saying that the law is clear. The committee has the authority to order the board to modify or remove a condition only when the board's decision makes the project uneconomic and is not consistent with local needs. The committee does not have the authority to recast an approval with conditions as a denial and view the details of the approval differently, the court said.

The court ordered that the comprehensive permit remain as originally granted, with conditions intact.

Concurring Opinion

In a concurring opinion, Chief Justice Marshall noted that exclusionary zoning practices, which the statute is intended to overcome, have taken a new and unforeseen form.

"That a local zoning board would...drastically cut the size of a proposed project or would impose other onerous conditions that fall short of rendering the entire project uneconomic, even where a far larger project is entirely consistent with local needs, likely did not occur to the legislature in 1969," Marshall said.

Unfortunately, in Marshall's view, regulations have never provided guidance on whether a dramatic reduction in the size of a project might be deemed uneconomic. "In the absence of appropriate regulations, a local board remains free to impede the pace at which affordable housing units — so urgently needed — are constructed in the Commonwealth, even if a larger project would be entirely consistent with local needs," Marshall concluded.

SECTION 8

Court Must Review Reliability Of Hearsay Evidence Supporting Termination of Assistance

The district court that upheld the termination of Section 8 assistance based solely on hearsay evidence offered during an informal hearing must review the reliability and probative force of that evidence to ensure the tenant's due process rights were not violated, ruled the U.S. Court of Appeals for the Eleventh Circuit. (*Ervin v. Housing Authority of the Birmingham District*, No. 07-

14219, 2008 WL 2421700 (11th Cir. (Ala.)), June 17, 2008)

Gwendolyn Ervin appealed the termination of her Section 8 benefits, alleging that the Housing Authority of the Birmingham, Ala., District violated her procedural due process rights when it failed to comply with HUD termination regulations.

The housing authority sent Ervin a letter informing her that her Section 8 benefits would be terminated because of the illegal drugs found in her apartment, and it informed her of her right to request an informal hearing.

Testimony at Hearing

During the informal administrative hearing, the hearing officer considered evidence through testimony of a housing authority manager that the police found illegal narcotics on the plaintiff's property after a search pursuant to a warrant.

At the hearing, Ervin testified that she had not been present when police officers entered her apartment, nor had she seen a search warrant for the premises. Another woman had been arrested in her apartment. That woman had attended a previously scheduled hearing, which had been canceled, but could not attend the second hearing.

The hearing officer determined that a preponderance of the evidence established that Ervin had violated one of the requirements of her Section 8 assistance by allowing her unit to be used for drug-related criminal activity. The district court affirmed, and Ervin appealed.

Court Ruling

Ervin argued that the termination did not contain sufficient information to constitute a brief statement of the reasons for the decision to terminate assistance, as required by regulation. The court concluded that information about a regulatory violation involving illegal drug activity sufficiently stated the reasons for the termination. It also found Ervin's contention disingenuous, because she understood the charge well enough to attempt to produce a rebuttal witness.

Ervin also argued that she did not have an adequate hearing because the hearing officer relied solely on hear-

say evidence. In a recent case, *Basco v. Machin*, 514 F.3d 1177 (11th Cir. 2008), the court held that a local housing authority has the burden to establish a prima facie case and did not do so by submitting unauthenticated copies of two police reports, both of which consisted of hearsay.

Although the rules of evidence are not strictly applied in administrative hearings, the court held in *Basco*, "due process limits the extent to which an adverse administrative determination may be based on hearsay evidence."

In this case, the court noted, the evidence at the hearing consisted of a housing authority manager's testimony, in which she described the contents of a letter from the police department, and the testimony of another tenant, who described a "girl" and "reefer" found in the front yard of Ervin's building.

The hearing officer also heard from the housing authority's lawyer, who described conversations with the Birmingham Police Department concerning an arrest and search at Ervin's residence. The record on appeal did not contain an administrative record or any other material relating to the informal hearing.

All the evidence was hearsay, and on this record, the court said it must vacate and remand to the district court for further consideration in light of *Basco*. The court directed the lower court to consider whether the "factors that assure the underlying reliability and probative value of the evidence" are present.

Courts in Brief

The U.S. District Court for the Central District of California remanded an unlawful detainer action against a Section 8 tenant to state court. (*MHS-Rossmore, LLC v. Lopez*, No. CV 08-2001-RGK (FMOx), 2008 WL 2397498 (C.D.Cal.), June 5, 2008)

Although the plaintiff landlord's complaint refers to a Section 8 agreement, the court said the claim presents no substantial question requiring interpretation of the Section 8 provisions.

"Therefore," the court said, "the relevance of this federal statute to Plaintiff's claim is insufficient to convert its action for unlawful detainer, generally a state court cause of action, into one arising under federal law."

Los Angeles Times

<http://www.latimes.com/news/local/la-me-county3-2008jul03,0,3665378.story>

From the Los Angeles Times

Citizens watchdog group gives bad marks to new Los Angeles County structure

Report says government takes longer to get less done since supervisors created a chief executive office.

By Garrett Therolf
Los Angeles Times Staff Writer

July 3, 2008

No one's office in the Los Angeles County Hall of Administration has a sign saying, "The buck stops here." Power is scattered throughout the bureaucracy, and it's hard to credit any decision -- good or bad -- to one person.

Last year, the Board of Supervisors made an effort to change that by hiring the county's first chief executive. But according to a report to be released today by a citizens watchdog group, many of the office's intentions are unfulfilled.

County Chief Executive William T. Fujioka replaced a weaker county administrator, who also managed departments and reported to the five elected supervisors but lacked authority to hire and fire department heads and was not ultimately responsible for their success or failure.

However, a copy of the report released to The Times shows that so far:

- * Decisions have actually become tougher to make, and power is more diffuse. Aides to the supervisors have not relinquished control over the day-to-day affairs of county departments, thus expanding the number of bosses rather than reducing them.

- * Modest improvements in some county operations over the last year cannot be linked to the new structure. "Clearly, the major benefits have been the increased collaboration" between departments, according to the supervisors' Citizen's Economy Efficiency Commission. "The commission, however, could not judge whether this collaboration could have been accomplished under the old structure."

The commission recommended another status report of the new system in a year. Supervisors originally planned to approve the empowered chief executive office this year, but they now say that will not happen until 2010 at the earliest.

"This improvement that we are trying to do does not just happen by edict," Fujioka said. "The county is the ultimate ocean freighter, and you know how long it takes to turn around an ocean freighter."

In the meantime, Fujioka and the supervisors said they are optimistic they can make the new structure work. For that to happen, the commission said, decisions would have to be streamlined.

The beefed-up chief executive staff has created a new layer of management that has often made it more difficult for staffers to swiftly bring important projects and crises to the desks of top decision makers, the report said.

And the county has no shortage of crises: A failing healthcare system has struggled to cover costs and deliver care appropriately, and the county has provided chronically substandard social services for the homeless, abused children and others.

The report described the Board of Supervisors and the staffs responsible for delivering those services as being filled with micromanagers. Little time is spent developing a broad vision to solve problems, the commission found.

"The new system," Supervisor Gloria Molina said in an interview, "was supposed to free the supervisors up to think about the big policy questions. That is not happening yet."

Instead, aides to the supervisors have joined aides to the chief executive in marathon meetings that focus on day-to-day operations.

"There are many more meetings with many more participants, and the volume of e-mail is reaching nearly unmanageable levels," the report said. "Paradoxically, there is a sense among [aides] and supervisors that they are now less informed than they were under the old structure."

Supervisor Zev Yaroslavsky, who championed the new structure and still supports it, has likened it at times to the Kremlin. Fujioka recently found it necessary to issue a memorandum, saying it was OK for department heads to communicate with aides to the supervisors, especially on "hot issues."

Yaroslavsky said, "We are going to work on it now so that six months from now, some of the issues raised in the report will be addressed."

Still, many county officials remain hopeful that the new structure will work.

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<http://www.latimes.com/news/local/la-me-county3-2008jul03,0,2845835.print.story>

7/8/2008



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Housing Director

Date: 07-07-2008 10:24 AM - Word Count: 187

Housing Director

LOS ANGELES (CNS) - William K. Huang today took over as interim director of the Los Angeles County Community Development Commission/Housing Authority. Huang is the former director of the Housing and Development Preservation Division of the CDC.

Carlos Jackson, who had served as the executive director since 1991, announced his retirement in April.

The CDC was the result of the 1982 consolidation of three county entities: the Housing Authority, the Community Development Department and the Redevelopment Agency. With a \$430 million budget, the agency is the fourth-largest public housing authority in the country.

Under Jackson, the CDC administered 21,000 Section 8 vouchers and 3,200 public housing units, according to a county statement.

The Section 8 Rental Voucher Program provides financial assistance for rent payments to needy households.

Jackson also helped to introduce "The Growing Experience" program, a community garden with individual plots for 60 low-income families in the Carmelitos Housing Development in Long Beach.

Huang, who has been with the CDC since 2001, was previously responsible for the CDC's affordable housing activities as a lender and developer, according to the county statement.

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NEWS

COMMUNITY DEVELOPMENT COMMISSION • County of Los Angeles
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COMMUNITY DEVELOPMENT COMMISSION EXECUTIVE DIRECTOR RETIRES

Interim Appointment Announced

LOS ANGELES, CALIFORNIA --- July 7, 2008. At last week's meeting, the Los Angeles County Board of Supervisors approved the appointment of William K. Huang, as Interim Executive Director of the Los Angeles County Community Development Commission/Housing Authority (CDC). Carlos Jackson, the current Executive Director, announced his retirement in April, effective July 7, 2008.

Mr. Jackson has held the position of Executive Director since 1991. He originally joined the CDC in June 1983 and occupied various management positions within the organization. Prior to his career with the CDC, Mr. Jackson was the Assistant City Manager of Compton and served on Los Angeles Mayor Tom Bradley's executive staff. In addition, he was Assistant Dean of Students at Stanford University and held an administrative position with the School of Public Administration at the University of Southern California. Mr. Jackson received a Bachelor of Arts in Sociology from California State University Los Angeles, and earned a Doctorate of Public Administration from the University of Southern California. He currently lectures as a part-time instructor of Public Administration at California State University Dominguez Hills.

During his tenure, Mr. Jackson oversaw the fourth largest public housing authority in the Country, responsible for administering 21,000 Section 8 vouchers and 3,200 public housing units. Additionally, he brought innovative services to residents living in the

Strengthening Neighborhoods • Supporting Local Economies • Empowering Families • Promoting Individual Achievement



Housing Authority's public housing developments, such as job training, Youth in Focus, a program that exposes youth to visual arts through photography, and a Crime and Safety Unit, which reduced crime in County operated public housing sites.

Another innovative program introduced by Mr. Jackson is "The Growing Experience," a community garden and joint program of the Housing Authority and the University of California Cooperative Extension. Over 60 low-income families who are residents of the Carmelitos Housing Development, located in Long Beach, have their own individual raised plot in the community garden.

Mr. Jackson also administered the largest Urban County Community Development Block Grant program in the nation, rated excellent by the U.S. Department of Housing and Urban Development, as well as other community, economic and housing development programs, such as the City of Industry Funds (Industry Funds). Industry Funds, tax increment set-asides, serve as a financing resource for the development of affordable rental and single family and special needs housing. During his tenure, 6,049 units were produced, totaling over \$1.2 billion in leveraged funding.

Various County sponsored economic development projects were also successful under Mr. Jackson's leadership, including the development of a shopping center and introduction of the first major market (Farm Fresh) in the West Altadena Community Redevelopment Project Area, La Alameda Shopping Center, a \$64 million, 18.3-acre project that combines 220,000 square feet of retail space with 18,000 square feet of office space in the Walnut Park Revitalization area, and a fruitful partnership with the City of Santa Fe Springs and Golden Springs Development Company to finance the transformation of a defunct oil refinery and storage tank farm into Golden Springs Economic Development Project, which created over 3,500 jobs.

William K. Huang has been with the CDC since 2001, and has held the position of Director of the Housing Development and Preservation Division, since 2006. As Director, he is responsible for the CDC's affordable housing activities, as a lender and developer. He was previously the Division's Manager of Housing Development, where he oversaw the affordable housing loan funds used to develop affordable rental, homeowner and special needs housing.

Prior to joining the CDC, Mr. Huang headed-up the National Trust for Historic Preservation's community development, lending and tax credit investment work in California. In that role, he was involved with urban revitalization in the downtown L.A. historic core, and with the community development and historic preservation in surrounding communities such as Highland Park and Pasadena.

Mr. Huang is a licensed architect in California, and has a Master's degree in architecture from Harvard University's Graduate School of Design. He has been the recipient of numerous professional awards for architecture, public service, historic preservation and community development. He was named the Distinguished Alumnus of the Year in 2001 by the Southern California Institute of Architecture.

##

Bobbette Glover

From: bounce-834226-160698@lyrisnet.nahro.org on behalf of nahro@nahro.org
Sent: Tuesday, July 08, 2008 9:58 AM
To: Glover; Bobbette Glover
Subject: Action Alert!

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July 8, 2008

Washington Update

Action Alert! House Expected to Consider Asset Management Legislation

On July 9, the House is expected to consider H.R. 6216, the Asset Management Improvement Act of 2008, under a suspension of the rules. To review a copy of this legislation, see

www.nahro.org/members/news/2008/hr6216.pdf.

About the Bill

NAHRO members will recall that this legislation, which has been under review and discussion in the House for some time, was the subject of some controversy when it was originally scheduled to be voted on by the full House several weeks ago. At that time, a motion to recommit the bill back to the Financial Services Committee with instructions to add language regarding gun ownership in public housing was requested, ultimately delaying consideration and final passage of this bill by the full House until now.

H.R. 6216 accomplishes several important and necessary objectives supported by NAHRO with regard to the implementation of asset management, including:

- the ability to utilize capital funds dollars to address central office costs;
- the ability of local agencies with 250 to 500 public housing units to request an exemption from asset management implementation, with the understanding that agencies with portfolios of this size who are seeking stop-loss designation would still be required to implement asset management;
- with respect to determination of asset management fees, the bill stipulates that fees be established in 2009 through negotiated rule making and, once agreed upon, that those fees become operational in 2011.

7/8/2008

The bill also contains language regarding communication with residents and resident involvement with regard to asset management decision-making. Finally, to address concerns previously raised on the House floor, H.R. 6216 includes language permitting lawful gun ownership in public housing.

What You Can Do

Your help is needed to show strong support among constituents for this much-anticipated legislation. Your support is also necessary to encourage members of the House in your locality to approve final passage. As this bill is moving forward under a unanimous consent agreement, it is essential that members know of your support for this important legislation—in particular to avoid unforeseen opposition that would only serve to further delay passage or possibly derail final passage of this legislation in this session. Please note as well in this regard that the administration has previously declared its opposition to this legislation. Also, readers should note that with precious few days left to legislate before Congress adjourns for the general election in November, moving this legislation forward in the House now creates a brief but important window of opportunity to pass similar legislation in the Senate prior to adjournment.

As time is short, call your Representatives now! Let them know of your support for H.R. 6216. Call the U.S. Capitol Switchboard at (202) 224-3121 and ask for your Representatives' offices or visit www.nahro.org/legislative/2007/110th_house_roster_state.pdf to see NAHRO's congressional roster with contact information.

If you would like more information to help you with your call, review NAHRO's letter of support for the passage of H.R. 6216 at www.nahro.org/members/news/2008/hr6216_support.pdf.

If you have questions, or if we can be of further assistance here at NAHRO, please contact John Bohm or Beth Cooper at 877-866-2476. Once you have spoken to your Representative's office, please let us know how it's going or what you heard. Your feedback is most helpful to our further efforts here.

Thanks in advance for your help!



National Association of Housing and Redevelopment Officials
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HUD Changes Phased In Management Fee Guidance *Website Posting Establishes Safe Harbors and Authorizes Cost Allocation Until 2011*

Once again, HUD has altered a method housing authorities can use to set their management fees. After a Senate roundtable in April, 2007, and a letter from Senators Dodd (D-CT) and Shelby (R-AL) that cited the operating fund rule, HUD acknowledged that since HAs did not need to convert to project-based management until 2011, they also did not need to comply with its management fee schedules until then (stop-loss agencies excluded). In its 2007 website posting, HUD stated that housing authorities simply needed to document reasonably their management fees and include a schedule in their annual plans showing how they would reach the HUD fee schedule by 2011.

Unfortunately, it is another example of the Department making major decisions on the basis of a posting on its website.

In a new web posting in May, 2008, www.hud.gov/offices/pih/programs/ph/am/, HUD has amended this earlier methodology and by establishing specific safe harbors in the second and third years has now explained exactly how a housing authority's fee schedule must look in the 2008 to 2011 time period. Agencies that cannot meet

these safe harbors will be allowed until 2011 to use the cost allocation method, which eliminates management fees and the central office cost center altogether, but requires the use of a line item entitled "allocated overhead." Although this guidance complies with the rule, it may pose a hardship to HAs that have already developed their schedules and submitted them in their annual plans. Unfortunately, it is another example of the Department making major decisions on the basis of a posting on its website.

The New Phased In Management Fee Methodology

As mentioned, the previous methodology recognized the fact that housing authorities were not required to convert to project-based management until 2011, and simply required them to provide HUD with a schedule showing their fees through that year. In another related decision, however, HUD had also determined that agencies could still "defederalize" their management fees through 2011, even though they did not conform to the published HUD fee schedules.

At some point, the Department must have realized that these two policies were in conflict with one another. It could not authorize housing authorities to develop their own fee schedules, on the one hand, and then let them defederalize any unused funds on the other.

See "management fees," continued on page 4

Greening Public Housing

With remarkable speed, environmentally friendly modernization of multi-family rental housing has attracted high levels of attention. One version of a HOPE VI reauthorization bill would give priority funding to proposals that carry LEED (Leadership in Environmental and Energy Design) certification offered by the United States Green Building Council. HUD has encouraged the use of appliances certified under the Department of Energy's Energy Star program, and the department has just published Notice PIH 2008-25 entitled, "Renewable energy and green construction practices in Public Housing."

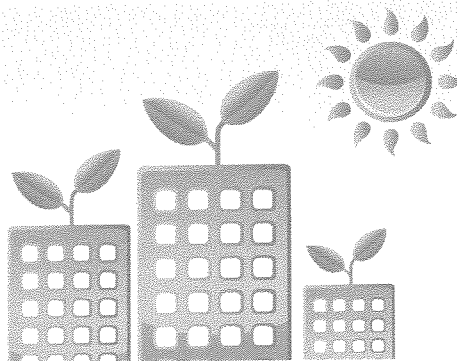
Although many of the incentives offered to encourage multi-family rental housing operators and owners to use green practices (e.g. tax incentives, tax abatements) aren't of direct interest to HAs, most practices currently labeled as green are familiar to HAs as long standing practices that conserve energy and utility consumption at public housing properties.

Presentations at PHADA's Annual Convention and Exhibition

At PHADA's recent Annual Convention and Exhibition, two presentations addressed issues surrounding resource conservation and green construction and maintenance techniques. The first covered the use of energy performance contracting as a potential resource for contributing support for the central office cost center under asset management. In

this instance, the Cuyahoga Metropolitan Housing Authority collaborated with Siemens Building Technologies in conducting an investment grade energy audit and the HA opted into several of the recommended improvements to reduce resource consumption and utility expenses. Two intriguing examples of energy conservation tactics that also represent green techniques were the HA's use of green roofs on family low-rise apartment buildings, and its use of pressure assisted flush toilets in most of about 7,000

See "greening public housing," continued on page 5



...“greening public housing”

Continued from page 1

apartments. The HA's use of power assisted flush toilets was surprising. These toilets meet requirements for use of 1.6 gallon flushes, but the pressure assisted flush overcomes common problems of gravity flush toilets, including more frequent stoppages. In addition to significantly reducing water consumption in family hi-rise apartment buildings, the HA reported an unanticipated cost saving benefit. Since installing pressure assisted flush toilets (only 2 months, so far), the HA reported that it has received only one maintenance request concerning a stopped up toilet in the buildings using these toilets. In addition to reducing water consumption and charges for water and sewer service, the agency has experienced a significant reduction in maintenance calls concerning toilets. Presumably, a reduction in the maintenance calls also represents a source of increased resident satisfaction in the modernized apartments.

A second presentation conducted by Tracy Kaufman of the National Housing Trust (NHT) and PHADA staff concerned greening public housing more generally. Although LEED certification is the only one available for multi-family rental housing, and although LEED certification is somewhat complex, other certifying organizations appear to be preparing ways for existing rental housing to become certified as green. The National Association of Homebuilders may have multi-family building standards in place by the end of the year. Although the Department of Energy's Energy Star program does not have standards or a recognition program for multi-family housing, HAs may become recognized through DoE's Energy Star Challenge recognition program if they can demonstrate a 10 percent reduction in energy consumption. Several



Subcontractor Clyde McHenry installs new energy-star windows at Lakewood Tower

HAs have received this recognition and appear on DoE's Energy Star web site. Finally, although not a certification program, Enterprise Green Communities publishes a set of green criteria that determine eligibility for Enterprise Green Communities financial support of a project.

The arguments for green, resource conservative rehabilitation that preserves existing housing is clear. In her presentation, Ms. Kaufman pointed out that 36 percent of electricity consumption and 20 percent of carbon emissions occur in residential buildings. Half of the buildings that will be in use in 2030 have already been built, and it will take 65 years for a new energy conservative building to save the energy lost in demolishing an existing building. Since public housing makes up ap-

See "greening public housing," continued on page 7

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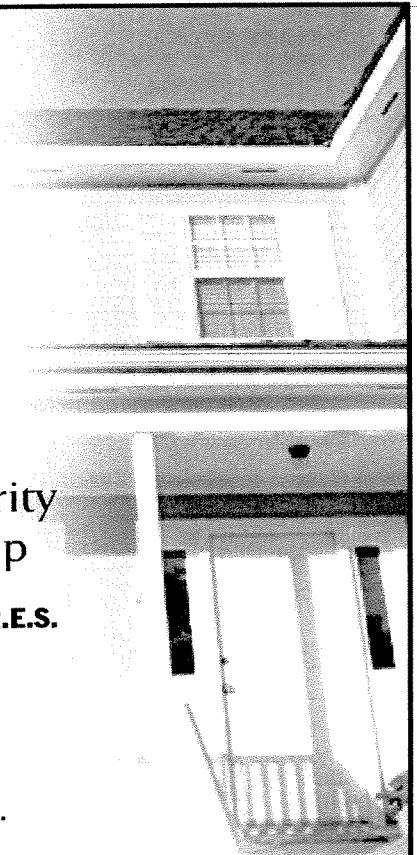
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...“greening public housing”

Continued from page 5

proximately 29 percent of the deeply assisted housing stock, it is also clear that public housing is integral to efforts aimed at making deeply assisted housing more environmentally friendly.

NHT has partnered with several non-profit affordable housing sponsors to rehabilitate existing housing using green construction and design techniques that promise significant reductions in energy consumption while preserving affordable housing that may have deteriorated significantly prior to the renovations. Galen Court, a property in Washington, DC, was rehabilitated using a number of green resource conserving tech-

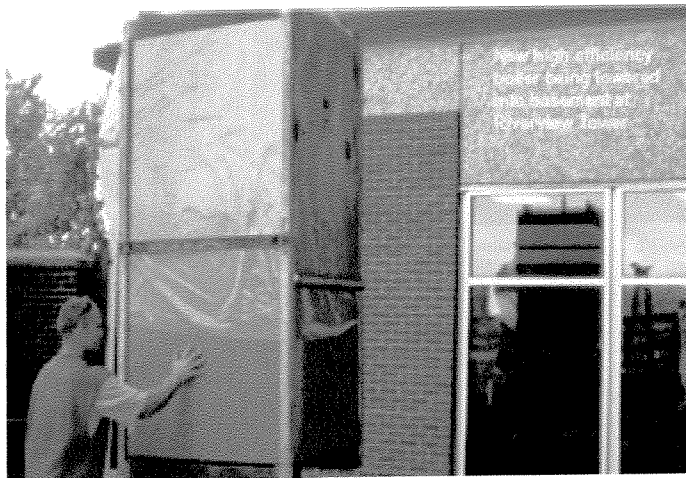
niques that eventually reduced the properties operating expenses. The project maintained a privately owned affordable housing property, controlled operating expenses for the owners, and helped residents maintain comparatively low utility expenses. The renovation project included use of low volatile organic compound (low VOC) paints to improve interior air quality and release of hydrocarbons, reflective roofing material to reduce the heat load on the buildings, storm water runoff collection that the property then used to maintain its landscaping, and use of standard energy efficient heating and cooling systems and hot water systems to control energy consumption. NHT is also participating in mass transit centric housing renovation and preservation. Maintaining affordable housing in close proximity to mass transit should help alleviate all of the problems surrounding the use of private automobiles, including transportation costs to housing residents.

HUD's Notices

On June 11, HUD published Notice PIH 2008-25 concerning, “Renewable energy and green construction practices in Public Housing.” The notice summarizes many of the arguments in favor of greening public housing and includes a list of helpful resources available to HAs pursuing environmentally friendly, energy conservative affordable housing preservation. The notice indicates that HAs pay approximately \$1.7 billion (or 24 percent of public housing operating costs) annually for utilities, and that residents pay an additional \$430 million in utility expenses. The notice indicates that:

By properly implementing green building practices—including re-

See “greening public housing,” continued on page 9



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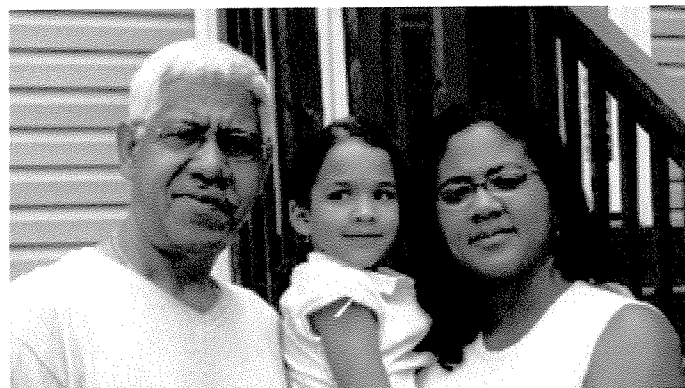
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...“greening public housing”

Continued from page 7

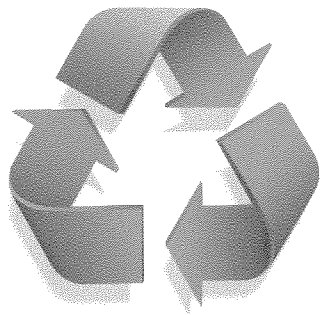
newable energy—into the process, PHAs can significantly reduce energy consumption and maintenance expenditures, while improving the residents’ comfort and health, and minimizing the overall environmental impact of the project.

Earlier in 2008, HUD reissued Notice PIH 2007-12 concerning Integrated Pest Management efforts. Attention to pest management and extermination are environmentally friendly “green” efforts aimed at preventing pest infestations (and thus obviating the need for extermination efforts), and where extermination is required, using less toxic alternatives to control pest populations.

Finally, late in 2007, HUD published Notice 2007-30 encouraging the use of Energy Star certified equipment in public housing to help reduce energy consumption and utility costs.

KnowledgePlex Presentations

Knowledgeplex.com is in the midst of a three part discussion of green approaches to housing construction, maintenance and rehabilitation. Two of these “Expert Chats” are available for viewing at Knowledgeplex’s web site. The first, entitled, “The Transformative Power of Urban Greening,” was held on April 24 and concerned the creation of open spaces and recycling vacant property in communities with sustained declining populations. The second presentation, “Green Affordable/Workforce Housing and Green Neighborhoods,” addressed environmentally sophisticated preservation and renovation of deeply assisted housing. The final presentation in Knowledgeplex’s series will be scheduled sometime in June and that schedule should be available on KnowledgePlex’s web site.



Environmentally Friendly Public Housing Renovation

Public housing modernization under various forms of HUD funding has encouraged consideration of energy efficient reinvestment in the public housing stock and this reinvestment represents a long standing commitment to the preservation of this deeply assisted housing. Thus HAs have been in the business

of “greening” public housing – preserving the stock and improving its energy efficiency – long before the invention of the term. Nevertheless, building systems technologies evolve, and HAs can assess their usefulness in the public housing stock on an ongoing basis. Compact fluorescent lighting prices have declined since CFLs were first introduced. Lighting using light emitting diodes (LEDs) are currently expensive but also extremely energy efficient and avoid the disposal issues of CFLs. LED based lighting may become an attractive, more reasonable, less toxic alternative in the next few years. Instant hot water heating systems that help avoid the water wasted as users wait for hot water to arrive at their taps from a central hot water heating system have become less expensive and more reliable since they were first introduced. There are some HAs that have begun transitioning to instant hot water heating systems in their public housing apartment complexes to save both energy and water.

Greening public housing also helps HAs reduce operating costs, a critical consideration at a time when HAs face deep operating subsidy prorations and when environmentally friendlier building systems may bring additional and otherwise unavailable financial support for the reinvestment many public housing apartment complexes require. These efforts also open the door to collaborations with non-traditional partners such as the Enterprise Foundation through its Green Communities efforts and the National Housing Trust. In addition to their interest in encouraging green development and rehabilitation, these potential partners bring extensive experience with financing tools not traditionally considered by HAs in connection with public housing reinvestment.

The Difference in Green Approaches

Although HAs may be old hands at evaluating and using energy efficient building systems and assessing energy conservation using HUD’s Energy Performance Contract initiative, the current green movement represents a real change. Each of the organizations encouraging green approaches emphasize that this is a systematic and systemic approach. Rather than evaluating individual building, maintenance or operating components using cost benefit or cost effectiveness analysis, the current green buildings movement requires more comprehensive assessments and planning and an upfront commitment to environmentally friendlier and healthier building construction, renovation and operation. In the second KnowledgePlex presentation, Tom Phillips of the Seattle Housing Authority described green decisions that cost less than other alternatives, that cost more than other alternatives but were accepted, and that cost more than other alternatives and were rejected. Initiatives that Seattle rejected included district water heating, solar water heating, photo voltaic electricity generation, and greywater reuse. Some were economic decisions while others (e.g. greywater reuse) resulted from local code compliance complications. Seattle and the National Housing Trust also described initiatives they pursued that resulted in improved living conditions and reduced costs for residents that may not have produced savings for the HA or for the housing owner.

All of the green building initiatives also emphasize the importance of agency commitment to the value of environmentally friendlier green approaches and the importance of involving stakeholders and professionals early in the planning stages in green building preservation and renovation. Stakeholders who may be involved include current and prospective occupants, but also include operating maintenance and management staff, and may include residents in surrounding neighborhoods as well. Professionals involved in planning and implementing green initiatives include architect and engineering firms with experience in and/or commitment to green construction and renovation planning, and general and subcontractors with experience in or at least the willingness to try green construction approaches.

HAs considering significant renovations of their public housing stock may wish to consider the benefits of taking on a green approach to the work for its potential to reduce operating expenses, for potential new financial resources and funding partners that would otherwise not be available, for its potential to improve residents’ living environments, and for its potential contribution to reducing energy consumption and carbon emissions in multi-family rental housing. ■



REAC Inspections Panel Draws Crowd in New Orleans

Speakers Offer Tips on Faulty HUD Program

Over 150 PHADA Annual Meeting participants heard an expert panel dispense advice on how to raise scores on REAC physical inspections of public housing. The panel, entitled "Your Housing Authority's Rights in the Physical Inspection Process" was comprised of Candace Martin, executive director of the Mt. Pleasant Housing Authority, Mt. Pleasant, Texas, Al Hester, housing policy director of the St. Paul Public Housing Agency, St. Paul, Minnesota and Bruce McNatt, a professional inspector from Greeneville, Texas. The speakers helped the audience come to terms with the weaknesses of the once vaunted REAC inspection program. HUD, it seems, has decided to stop perfecting the REAC inspection program, having spent considerable money, staff time and technology resources only to be heavily criticized and well behind its schedule to perform inspections.

Losing Sight of Housing Quality

The current REAC inspection program appears determined to validate HUD's sizeable investment by producing results through increased findings. Finding more deficiencies has not been welcomed or helpful news to housing authorities including many that were previously rated as "high performers". Instead, wide and surprising swings in recent REAC physical inspections scores have generated confusion, frustration and additional costs for many housing authorities. Agencies are now faced with a new financial calculation – to spend more money in advance of inspections to protect against the possibility that HUD will take away yet more money already under funded public housing. Housing authorities seeking or trying to maintain "high performer" designation under the Public Housing Assessment System (PHAS) cannot risk a low physical inspection score that could disqualify the authority for the high performer bonus award.

Agencies question if REAC inspections are the reliable measure of public housing that they are intended to be. REAC inspections should determine if authorities are providing housing that is "safe, decent, sanitary and in good repair." However, the ability of REAC inspections to accurately assess the condition of public housing is again in question because of problematic inspector selection, preparation and training practices. Add to that, the influence of HUD disincentives that skew inspector behavior in the conduct of inspections and you have a potentially troubled program. HUD calls on REAC inspectors to use "professional common sense" but simultaneously second guesses inspectors who fail to find deficiencies. Inspections with too few deficiencies are suspect and subject to "quality assurance" reviews.

In order to prove the value of the REAC inspection process, inspectors seem sometimes to produce findings no matter how insignificant, nonsensical or non-germane to the quality of the housing. The actual condition of the inspected public housing seems secondary to the condition of the inspection program's reputation. Some agencies report lively debates between contract inspectors and Quality Assurance inspectors over the need to identify certain deficiencies in the course of inspections.

Adding Insult to Injury

Housing authorities see irony in HUD's zealous embrace of a rigid and hyper-vigilant physical inspection process as they endure another year of significant under funding of both operating and capital fund budgets. To make matters worse, housing authorities feel compelled to spend more of their limited funds to protect their agencies from the possibility of poor REAC inspection scores. "High performer" agencies want and need to continue that status so that their agencies capture the rewards they earned for exceptional management. Low physical inspection scores could jeopardize their overall PHAS score and their high performer bonuses.

The New Orleans panel was at times confounded by the inspection program's departure from the "professional common sense" mentioned in the Compilation Bulletin and required of inspectors. Both panelists and audience members pointed to noted instances where inordinate pressure was exercised over inspectors to find deficiencies so as to "prove" the effectiveness of the inspections. It was also mentioned that inspectors are trained to error on the side of citing deficiencies calls because housing authorities have the "opportunity to appeal later." Inspection reports that were "clean" – without enough deficiencies -- were subject to review by Quality Assurance (QA) inspectors. HUD's internal struggle to define what constitutes well-maintained, safe and adequate housing and to measure that housing through a credible inspection process continues.

Meanwhile, hard-pressed housing authorities must devote increasing amounts of time and money to planning for ever-less helpful inspections and re-inspections. Agencies must also devote hours to the appeals process, documenting and appealing poor inspector judgments. Residents, too, are subjected to REAC inspections through the notifications, preparations, pre-inspections, inspections and sometimes, Quality Assurance inspections.

Key inspection messages for housing authorities

Plan early, plan often

Each panelist advised that the stress of REAC inspections and the often disappointing scores they produce can be ameliorated by thorough inspection planning and preparation. Al Hester shared the forms, training and timelines used by the St. Paul Public Housing Authority in preparation for REAC inspections. He credits the agency's detailed process for consistently high physical inspection scores.

Carefully read the REAC Compilation Bulletin dated January 1, 2008. The Bulletin is the current guidance on how REAC physical inspections are to be conducted. It also details what is inspected in each of the five inspectable areas. Inspector Bruce McNatt pointed out that a thorough understanding of the Bulletin is the best preparation for a physical inspection.

Communicate early to REAC if certain units will be offline during an inspection due to unit repairs, rehabilitation or damage due to natural disasters.

Involve residents in the physical inspection process. In addition to the

See "REAC inspections," continued on page 12

...“REAC inspections”

Continued from page 8

required notice of inspections some authorities make residents active participants in the process by encouraging them to report any problems they are aware of in their individual units or building. Candace Martin, of the Mt. Pleasant Housing Authority, said some housing authorities offer prizes in “perfect apartment” contests where maintenance staff and residents work cooperatively to ready units for inspections. Residents with “perfect” apartments have their names submitted to a drawing for prizes.

Find a mutually agreeable date for inspections. While it is helpful to accommodate the inspector’s schedule, it is not necessary. Make sure the inspection date(s) meets your authority’s schedule. Agencies should not feel pressured into accepting a date that is not suitable.

Consider pre-inspections. Some housing authorities pay for 100% unit inspections by REAC-knowledgeable inspectors prior to scheduled REAC inspections to get “new eyes” looking at their properties to catch defects that might not be obvious to housing authority staff. Pre-inspections generally result in a report that provides a detailed and prioritized list of repairs that the housing authority should address prior to the REAC inspection.

Inform staff that inspection preparation is a year around pursuit. Train them to continually watch for commonly cited deficiencies -- cracked outlet covers and switch plates, defective GFI outlets, inoperable smoke detectors, expired fire extinguishers, infestations, misaligned chimneys and missing breaker panels.

Focus on the most damaging deficiencies first. Be knowledgeable about the relative value of different types of deficiencies in the five inspectable areas. For instance site deficiencies have far greater impact on the physical inspection score than individual units. Keep the focus on the highest value deficiencies and address them before individual unit items. For example, a tripping hazard in an individual unit causes no point deduction, but a tripping hazard on the site is a costly Level 3 deduction.

Prepare for your appeal during the inspection. Take photos of deficiencies as the inspector calls them out so that at the conclusion of the inspection you have good documentation. Panelists recommended that the authority’s representative carry a camera, notebook and ruler. Use photos to also capture building and unit numbers so that it is easy to match deficiencies to particular addresses after the inspection.

Every deficiency must be called out by the inspector when it is identified during the inspection. There should be no “surprise” deficiencies in the inspection report. Agency representatives may not argue with the inspector, but may ask questions and indicate that a mistake was made in calling a deficiency or assigning a wrong level to the deficiency. Some authorities have successfully documented inspection mistakes while the inspector is still on site thus saving an appeal.

Mitigate issues by having paperwork ready for the inspector. Have ready the required copies of resident notices, lead-based paint notices and tests certificates, certifications and test results on systems, maps in

order to avoid unnecessary deficiencies cited.

Do not hesitate to appeal your REAC inspection score(s). There are many new inspectors, some poorly trained inspectors, good inspectors that just make an occasional bad call and inspectors being urged to “call out everything” because housing authorities have the ability to appeal. HUD is not particularly sensitive to the “time is money” axiom, so housing authorities will need to spend both time and money preparing thoroughly documented appeals. Prepare the appeal as though the person receiving it has no understanding of the specific issue (building construction, weather, soil conditions, etc) by providing as much documentation as needed to thoroughly describe the situation and why it should not have resulted in points deducted. Include, as needed, photos, letters, tests, site maps, explanations, etc.

Do not hesitate to tell your Congressional representatives if your REAC physical inspection fails to adequately measure the condition of your housing authority properties. Employ PHADA’s easy-to-use Legislative Action Center (CapWiz) to communicate your agency’s concerns about the objectivity of the REAC inspections, scores or the appeals process.

“Your Housing Authority’s Rights in the Physical Inspection Process” panel presentation material and forms can be found at the following websites:

Texas Housing Association www.txtha.com

St. Paul Public Housing Agency www.stpaulpha.org/resourcephas.html

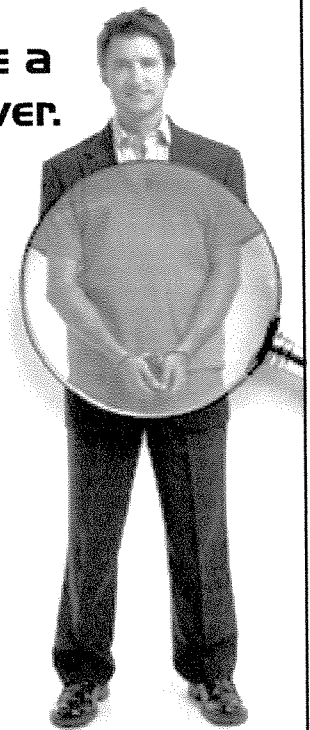
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* SEVRA Update

The House of Representatives passed a version of the Section 8 Voucher Reform Act on July 12, 2007 and referred the bill to the Senate on July 16, 2007. After introduction of a version of the bill in the Senate on March 3, 2008, the Senate Banking Committee held a hearing on SEVRA on April 16. The Senate version of the bill still does not currently contain a Moving to Work provision (the Housing Innovation Program in the House version), and the committee must still consider amendments and forward a bill to the full Senate for consideration.

According to Senate staff, the committee will likely consider the bill, an MTW provision will be added to the bill before the committee forwards it to the Senate, and the bill does not appear to face any major opposition. At the moment, the committee has focused on passage of Government Sponsored Enterprise (GSE) reform and mortgage relief, and SEVRA will not likely be considered until those matters are completed.

Additional information, including side-by-side comparisons of the House and Senate bills is available on the PHADA website at <http://www.phada.org/news.php?id=694>. ■

...“management fees”

Continued from page 4

management. After two years, agencies with fewer than 250 units but with two or more AMPs must ask HUD for a waiver to continue to use this method. Agencies in the 250-400 unit range which opt out of asset management are not permitted to use “alternate asset management model,” however.

HUD has not yet issued guidance explaining whether or not stop-loss agencies will be allowed to use the cost allocation method with their 2008 capital funds.

Stop-loss agencies are permitted to use the first three methods (the third with HUD approval), but as they must be compliant with asset management are not able to phase in their fees. HUD has not yet issued guidance explaining whether or not stop-loss agencies will be allowed to use the cost allocation method with their 2008 capital funds. As the statute did not exclude stop-loss agencies, however PHADA does not believe they should be excluded from using this methodology.

Hopefully, reviewing this menu of management fee options will assist HAs as they convert to asset management. ■



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Los Angeles Times, Friday 7/11/08

County CEO ends weekly media briefings

Fujioka, whose office has been under fire, stops 15-year practice.

By GARRETT THEROLF
Times Staff Writer

Public access to some of the inner workings of Los Angeles County government diminished this week when Chief Executive Officer William T. Fujioka ended his weekly me-

dia briefing.

The briefings have been held since 1993 by Fujioka and his predecessors, and they provided reporters an opportunity to ask about county issues.

Fujioka cited "scheduling conflicts" for his decision to end the practice and said he would be available to talk about news items by phone.

In a telephone interview, however, he said any newspaper report on his decision to end the briefings would be "another hit piece" and abruptly

hung up.

The Times reported last week that a citizen's watchdog group commissioned by county supervisors found that the recently restructured office of chief executive officer was falling short of its goal to improve efficiency and clarify lines of authority.

Fujioka's on-the-record briefings have drawn fewer reporters in recent months as many news organizations have experienced cutbacks, but they were still regularly attended by

The Times and City News Service.

Tony Bell, a spokesman for Supervisor Mike Antonovich, said his office didn't object to Fujioka's decision to end the Monday morning briefings as long as a suitable replacement was put in place.

"The CEO has been very open with the departments and the Board of Supervisors, and that openness should extend to the press," he said.

garrett.therolf@latimes.com



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Gloria Molina
Yvonne Brathwaite Burke
Zev Yaroslavsky
Don Knabe
Michael D. Antonovich
Commissioners

William K. Huang
Acting Executive Director

July 23, 2008

Honorable Housing Commissioners
Housing Authority of the
County of Los Angeles
2 Coral Circle
Monterey Park, California 91755

Dear Commissioners:

**RESOLUTION AUTHORIZING THE ISSUANCE OF MULTIFAMILY HOUSING
MORTGAGE REVENUE BONDS FOR ARROW PLAZA IN
UNINCORPORATED COVINA (5)**

SUBJECT:

This letter requests that your Board authorize the issuance, sale and delivery of Multifamily Housing Mortgage Revenue Bonds to finance the site acquisition and rehabilitation of Arrow Plaza, a 64-unit multifamily project located at 20644 East Arrow Highway in unincorporated Covina.

IT IS RECOMMENDED THAT YOUR COMMISSION:

1. Recommend that the Board of Commissioners find that the approval of a resolution authorizing the issuance of Multifamily Housing Mortgage Revenue Bonds by the Housing Authority of the County of Los Angeles to finance the site acquisition and rehabilitation of the 64-unit Arrow Plaza is not subject to the California Environmental Quality Act (CEQA) because it is not defined as a project under CEQA and does not have the potential for causing a significant effect on the environment.
2. Recommend that the Board of Commissioners adopt and instruct the Chair to sign the attached Resolution, as required under Section 147(f) of the Internal Revenue Code of 1986, authorizing the issuance of Multifamily Housing Mortgage Revenue Bonds by the Housing Authority of the County of Los Angeles, in an aggregate amount not exceeding \$6,400,000, to assist Arrow Plaza, KBS, L.P. (Developer) in financing the site acquisition and rehabilitation of Arrow Plaza, a 64-



unit multifamily rental housing project located at 20644 East Arrow Highway in unincorporated Covina.

3. Recommend that the Board of Commissioners authorize the Acting Executive Director to execute all related documents and take all necessary actions for the issuance, sale, and delivery of the bonds.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION:

The purpose of this action is to authorize the issuance, sale and delivery of Multifamily Housing Mortgage Revenue Bonds, in an aggregate amount not to exceed \$6,400,000, to finance the site acquisition and rehabilitation of Arrow Plaza. This action will also allow the bonds to qualify for a tax exemption under Section 103 of the Internal Revenue Code of 1986.

FISCAL IMPACT/FINANCING:

No County costs will be incurred. The bonds will be repaid solely through rent revenues. The Developer will pay all fees and related costs.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

The Housing Authority issues Multifamily Housing Mortgage Revenue Bonds on an ongoing basis to provide financing to increase the supply of multifamily housing for very low-, low-, and moderate-income families throughout Los Angeles County.

On October 5, 2007, as authorized by Section 147(f) of the Internal Revenue Code of 1986, the Housing Authority conducted a public hearing regarding the issuance of bonds to finance the project, at its office located at 2 Coral Circle in Monterey Park. No comments were received at the public hearing concerning the issuance of the bonds or the nature and location of the project.

On November 6, 2007, your Board adopted an Inducement Resolution declaring the intent of the Housing Authority to undertake the financing of a Multifamily Housing Mortgage Revenue Bond project in accordance with United States Treasury Department Regulations. This action established a base date after which costs incurred by the Developer for the project could be included in the acquisition, construction and permanent financing obtained pursuant to the issuance of tax-exempt bonds.

The Developer proposes to rehabilitate 64 multifamily rental units, including one manager's unit, at the property site located at 20644 East Arrow Highway in unincorporated Covina. Twelve of the units will be reserved for households with incomes that do not exceed 50% of the Area Median Income (AMI) for the Los Angeles-Long Beach Metropolitan Statistical Area, adjusted for household size, as determined

by the U.S. Department of Housing and Urban Development. Fifty-one of the units will be reserved for households with incomes that do not exceed 60% of the AMI. The manager's unit will have no affordability requirements. These requirements will remain in effect for 55 years.

The attached Resolution has been prepared by Hawkins Delafield and Wood, Housing Authority Bond Counsel, and has been approved as to form by County Counsel. All other related documents, in substantially final form, are on file with the Executive Office of the Board of Commissioners. They will be approved as to form by County Counsel prior to execution by the authorized parties.

ENVIRONMENTAL DOCUMENTATION:

This action is exempt from the provisions of the National Environmental Policy Act pursuant to 24 Code of Federal Regulations, Part 58, Section 58.34 (a)(3) because it involves administrative activities that will not have a physical impact on or result in any physical changes to the environment.

The proposed actions are not subject to the provisions of CEQA pursuant to State CEQA Guidelines 15060(c)(3) and 15378, because they are not defined as a project under CEQA and do not have the potential for causing a significant effect on the environment.

IMPACT ON CURRENT PROJECT:

The proposed action will increase the supply of affordable housing in the County.

Respectfully submitted,


for WILLIAM K. HUANG
Acting Executive Director

Attachments: 1

RESOLUTION AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF MULTIFAMILY HOUSING REVENUE BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$6,400,000 FOR THE PURPOSE OF MAKING A LOAN TO PROVIDE FINANCING FOR A MULTIFAMILY RENTAL HOUSING PROJECT KNOWN AS ARROW PLAZA APARTMENTS PROJECT, DETERMINING AND PRESCRIBING CERTAIN MATTERS RELATING THERETO, AND APPROVING AND AUTHORIZING THE EXECUTION OF RELATED DOCUMENTS, AGREEMENTS AND ACTIONS.

WHEREAS, the Housing Authority of the County of Los Angeles (the "Authority") is authorized and empowered by the provisions of Section 34312.3 of the Health and Safety Code of the State of California (the "Act") to issue and sell revenue bonds for the purpose of making loans or otherwise providing funds to finance the acquisition and rehabilitation of multifamily residential rental housing projects, including units for households meeting the income limits set forth in the Act; and

WHEREAS, there has been prepared and presented to this Board for consideration at this meeting the documentation required for the issuance of bonds for the financing of the Arrow Plaza Apartments project (the "Project"); and

WHEREAS, it appears that each of the documents and instruments above referred to which are now before this meeting is in appropriate form and is an appropriate instrument to be executed and delivered for the purposes intended;

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners of the Housing Authority of the County of Los Angeles, as follows:

1. It is hereby found and determined that it is necessary and desirable for the Authority to provide financing for the Project through the issuance and sale of the Bonds (as hereinafter defined) in order to assist in the acquisition and rehabilitation of the type of dwelling units provided by the Project.

2. For the purpose of raising moneys with which to effectuate financing for the Project, the Authority hereby determines to issue its Multifamily Housing Revenue Bonds (Arrow Plaza Apartments Project), 2008 Series B, in one or more subseries, each with an appropriate subseries designation (collectively, the "Bonds"), in an aggregate principal amount not to exceed \$6,400,000. The Bonds shall bear interest at the interest rates set forth in or determined in accordance with a Trust Indenture (the "Indenture"), by and between the Authority and U.S. Bank National Association, as trustee (the "Trustee"), until their respective maturities or earlier redemption, tender or payment, but not later than 40 years from the date of issue. The Bonds shall be in substantially the form set forth in the Indenture, with such appropriate variations, omissions, insertions and provisions as are permitted or required thereby, which shall

be appropriately completed when the Bonds are prepared. The Bonds shall be limited obligations of the Authority payable solely from the revenues, receipts and other moneys pledged therefor under the Indenture.

3. The Bonds shall be executed on behalf of the Authority by the manual or facsimile signature of the Chair of this Board and attested with the manual or facsimile signature of the Executive Officer of this Board.

4. The proposed form of Indenture, in the form presented to this meeting, is hereby approved. The Chair of this Board and the Executive Director of the Authority are each hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Indenture, in substantially said form, with such additions thereto or changes therein as such officer may approve or recommend upon consultation with counsel to the Authority and Bond Counsel to the Authority (provided that such additions or changes shall not authorize an aggregate principal amount of Bonds in excess of the amount stated above or result in an initial interest rate on the Bonds in excess of 12%), the approval of such additions or changes to be evidenced conclusively by the execution and delivery of the Indenture. The date, maturity dates, interest rate or rates, interest payment dates, denominations, form, registration privileges, manner of execution, place of payment, terms of redemption and other terms of the bonds shall be as provided in the Indenture as finally executed.

5. The proposed form of Loan Agreement (the "Loan Agreement"), by and between the Authority and Arrow Plaza KBS, L.P., a California limited partnership (the "Borrower"), in the form presented to this meeting, is hereby approved. The Chair of this Board and the Executive Director of the Authority are each hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Loan Agreement, with such additions or changes in said document as such officer may recommend or approve upon consultation with counsel to the Authority and Bond Counsel to the Authority, the approval of such additions or changes to be evidenced conclusively by the execution and delivery of the Loan Agreement.

6. The proposed form of Regulatory Agreement and Declaration of Restrictive Covenants (the "Regulatory Agreement"), by and among the Authority, the Trustee and the Borrower, in the form presented to this meeting, is hereby approved. The Chair of this Board and the Executive Director of the Authority are each hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Regulatory Agreement, with such additions or changes in said document as such officer may recommend or approve upon consultation with counsel to the Authority and Bond Counsel to the Authority, the approval of such additions or changes to be evidenced conclusively by the execution and delivery of the Regulatory Agreement.

7. This Board hereby appoints U.S. Bank National Association as the initial trustee with respect to the Bonds.

8. This Board hereby appoints the Executive Director of the Authority or his or her Deputy or designee as administrator/manager with respect to the Project and other matters arising in connection with the Bonds (the "Administrator").

9. All consents, approvals, notices, orders, requests and other actions permitted or required by any of the documents authorized by this resolution, whether before or after the issuance of the Bonds, including without limitation any of the foregoing which may be necessary or desirable in connection with any default under or amendment of such documents, any transfer or other disposition of the Project or any redemption of the Bonds, may be given or taken by the Administrator without further authorization by this Board, and the Administrator is hereby authorized and directed to give any such consent, approval, notice, order or request and to take any such action which such officer may deem necessary or desirable to further the purposes of this resolution.

10. All actions heretofore taken by the officers and agents of the Authority with respect to the sale and issuance of the Bonds are hereby approved, confirmed and ratified, and the proper officers of the Authority are hereby authorized and directed, for and in the name and on behalf of the Authority to do any and all things and take any and all actions and execute and deliver any and all certificates, agreements and other documents, including but not limited to those described in the Indenture and the other documents herein approved, which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and delivery of the Bonds and to effectuate the purposes thereof and of the documents herein approved in accordance with this resolution and resolutions heretofore adopted by the Authority.

11. All resolutions or parts thereto in conflict herewith are, to the extent of such conflict, hereby repealed.

12. This resolution shall take effect upon its adoption.

PASSED AND ADOPTED by the Board of Commissioners of the Housing Authority of the County of Los Angeles, State of California, this ____ day of _____, 2008, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

By: _____
Chair of the Board
of Commissioners

ATTEST:

Sachi A. Hamai
Executive Officer
of the Board of Commissioners

By: _____
Deputy

APPROVED AS TO FORM:

RAYMOND G. FORTNER, JR.
County Counsel

By: _____
Deputy



**HOUSING AUTHORITY
of the County of Los Angeles**

Administrative Office
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Gloria Molina
Yvonne Brathwaite Burke
Zev Yaroslavsky
Don Knabe
Michael D. Antonovich
Commissioners

William K. Huang
Acting Executive Director

July 23, 2008

Honorable Housing Commissioners
Housing Authority of the
County of Los Angeles
2 Coral Circle
Monterey Park, California 91755

Dear Commissioners:

**RESOLUTION AUTHORIZING THE ISSUANCE OF MULTIFAMILY HOUSING
MORTGAGE REVENUE BONDS FOR CASA LUCERNA IN
UNINCORPORATED EAST LOS ANGELES (1)**

SUBJECT:

This letter requests that your Board authorize the issuance, sale and delivery of Multifamily Housing Mortgage Revenue Bonds to finance the site acquisition and rehabilitation of Casa Lucerna, a 75-unit multifamily project located at 1025 South Kern Avenue in unincorporated East Los Angeles.

IT IS RECOMMENDED THAT YOUR COMMISSION:

1. Recommend that the Board of Commissioners find that the approval of a resolution authorizing the issuance of Multifamily Housing Mortgage Revenue Bonds by the Housing Authority of the County of Los Angeles to finance the site acquisition and rehabilitation of the 75-unit Casa Lucerna is not subject to the California Environmental Quality Act (CEQA) because it is not defined as a project under CEQA and does not have the potential for causing a significant effect on the environment.
2. Recommend that the Board of Commissioners adopt and instruct the Chair to sign the attached Resolution, as required under Section 147(f) of the Internal Revenue Code of 1986, authorizing the issuance of Multifamily Housing Mortgage Revenue Bonds by the Housing Authority of the County of Los Angeles, in an aggregate amount not exceeding \$5,999,000, to assist Casa Lucerna, KBS, L.P. (Developer) in financing the site acquisition and rehabilitation of Casa Lucerna, a

75-unit multifamily rental housing project located at 1025 South Kern Avenue in unincorporated East Los Angeles.

3. Recommend that the Board of Commissioners authorize the Acting Executive Director to execute all related documents and take all necessary actions for the issuance, sale, and delivery of the bonds.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION:

The purpose of this action is to authorize the issuance, sale and delivery of Multifamily Housing Mortgage Revenue Bonds, in an aggregate amount not to exceed \$5,999,000 to finance the site acquisition and rehabilitation of Casa Lucerna. This action will also allow the bonds to qualify for a tax exemption under Section 103 of the Internal Revenue Code of 1986.

FISCAL IMPACT/FINANCING:

No County costs will be incurred. The bonds will be repaid solely through rent revenues. The Developer will pay all fees and related costs.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

The Housing Authority issues Multifamily Housing Mortgage Revenue Bonds on an ongoing basis to provide financing to increase the supply of multifamily housing for very low-, low-, and moderate-income families throughout Los Angeles County.

On October 5, 2007, as authorized by Section 147(f) of the Internal Revenue Code of 1986, the Housing Authority conducted a public hearing regarding the issuance of bonds to finance the project, at its office located at 2 Coral Circle in Monterey Park. No comments were received at the public hearing concerning the issuance of the bonds or the nature and location of the project.

On December 11, 2007, your Board adopted an Inducement Resolution declaring the intent of the Housing Authority to undertake the financing of a Multifamily Housing Mortgage Revenue Bond project in accordance with United States Treasury Department Regulations. This action established a base date after which costs incurred by the Developer for the project could be included in the acquisition, construction and permanent financing obtained pursuant to the issuance of tax-exempt bonds.

The Developer proposes to rehabilitate 75 multifamily rental units, including one manager's unit, at the property site located at 1025 South Kern Avenue in unincorporated East Los Angeles. Fifteen of the units will be reserved for households with incomes that do not exceed 50% of the Area Median Income (AMI) for the Los Angeles-Long Beach Metropolitan Statistical Area, adjusted for household size, as

determined by the U.S. Department of Housing and Urban Development. Fifty-nine of the units will be reserved for households with incomes that do not exceed 60% of the AMI. The manager's unit will have no affordability requirements. These requirements will remain in effect for 55 years.

The attached Resolution has been prepared by Hawkins Delafield and Wood, Housing Authority Bond Counsel, and has been approved as to form by County Counsel. All other related documents, in substantially final form, are on file with the Executive Office of the Board of Commissioners. They will be approved as to form by County Counsel prior to execution by the authorized parties.

ENVIRONMENTAL DOCUMENTATION:

This action is exempt from the provisions of the National Environmental Policy Act pursuant to 24 Code of Federal Regulations, Part 58, Section 58.34 (a)(3) because it involves administrative activities that will not have a physical impact on or result in any physical changes to the environment.

The proposed actions are not subject to the provisions of CEQA pursuant to State CEQA Guidelines 15060(c)(3) and 15378, because they are not defined as a project under CEQA and do not have the potential for causing a significant effect on the environment.

IMPACT ON CURRENT PROJECT:

The proposed action will increase the supply of affordable housing in the County.

Respectfully submitted,


for WILLIAM K. HUANG
Acting Executive Director

Attachments: 1

RESOLUTION AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF MULTIFAMILY HOUSING REVENUE BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$5,999,000 FOR THE PURPOSE OF MAKING A LOAN TO PROVIDE FINANCING FOR A MULTIFAMILY RENTAL HOUSING PROJECT KNOWN AS CASA LUCERNA APARTMENTS PROJECT, DETERMINING AND PRESCRIBING CERTAIN MATTERS RELATING THERETO, AND APPROVING AND AUTHORIZING THE EXECUTION OF RELATED DOCUMENTS, AGREEMENTS AND ACTIONS.

WHEREAS, the Housing Authority of the County of Los Angeles (the "Authority") is authorized and empowered by the provisions of Section 34312.3 of the Health and Safety Code of the State of California (the "Act") to issue and sell revenue bonds for the purpose of making loans or otherwise providing funds to finance the acquisition and rehabilitation of multifamily residential rental housing projects, including units for households meeting the income limits set forth in the Act; and

WHEREAS, there has been prepared and presented to this Board for consideration at this meeting the documentation required for the issuance of bonds for the financing of the Casa Lucerna Apartments project (the "Project"); and

WHEREAS, it appears that each of the documents and instruments above referred to which are now before this meeting is in appropriate form and is an appropriate instrument to be executed and delivered for the purposes intended;

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners of the Housing Authority of the County of Los Angeles, as follows:

1. It is hereby found and determined that it is necessary and desirable for the Authority to provide financing for the Project through the issuance and sale of the Bonds (as hereinafter defined) in order to assist in the acquisition and rehabilitation of the type of dwelling units provided by the Project.

2. For the purpose of raising moneys with which to effectuate financing for the Project, the Authority hereby determines to issue its Multifamily Housing Revenue Bonds (Casa Lucerna Apartments Project), 2008 Series C, in one or more subseries, each with an appropriate subseries designation (collectively, the "Bonds"), in an aggregate principal amount not to exceed \$5,999,000. The Bonds shall bear interest at the interest rates set forth in or determined in accordance with a Trust Indenture (the "Indenture"), by and between the Authority and U.S. Bank National Association, as trustee (the "Trustee"), until their respective maturities or earlier redemption, tender or payment, but not later than 40 years from the date of issue. The Bonds shall be in substantially the form set forth in the Indenture, with such appropriate variations, omissions, insertions and provisions as are permitted or required thereby, which shall be

appropriately completed when the Bonds are prepared. The Bonds shall be limited obligations of the Authority payable solely from the revenues, receipts and other moneys pledged therefor under the Indenture.

3. The Bonds shall be executed on behalf of the Authority by the manual or facsimile signature of the Chair of this Board and attested with the manual or facsimile signature of the Executive Officer of this Board.

4. The proposed form of Indenture, in the form presented to this meeting, is hereby approved. The Chair of this Board and the Executive Director of the Authority are each hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Indenture, in substantially said form, with such additions thereto or changes therein as such officer may approve or recommend upon consultation with counsel to the Authority and Bond Counsel to the Authority (provided that such additions or changes shall not authorize an aggregate principal amount of Bonds in excess of the amount stated above or result in an initial interest rate on the Bonds in excess of 12%), the approval of such additions or changes to be evidenced conclusively by the execution and delivery of the Indenture. The date, maturity dates, interest rate or rates, interest payment dates, denominations, form, registration privileges, manner of execution, place of payment, terms of redemption and other terms of the bonds shall be as provided in the Indenture as finally executed.

5. The proposed form of Loan Agreement (the "Loan Agreement"), by and between the Authority and Casa Lucerna KBS, L.P., a California limited partnership (the "Borrower"), in the form presented to this meeting, is hereby approved. The Chair of this Board and the Executive Director of the Authority are each hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Loan Agreement, with such additions or changes in said document as such officer may recommend or approve upon consultation with counsel to the Authority and Bond Counsel to the Authority, the approval of such additions or changes to be evidenced conclusively by the execution and delivery of the Loan Agreement.

6. The proposed form of Regulatory Agreement and Declaration of Restrictive Covenants (the "Regulatory Agreement"), by and among the Authority, the Trustee and the Borrower, in the form presented to this meeting, is hereby approved. The Chair of this Board and the Executive Director of the Authority are each hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Regulatory Agreement, with such additions or changes in said document as such officer may recommend or approve upon consultation with counsel to the Authority and Bond Counsel to the Authority, the approval of such additions or changes to be evidenced conclusively by the execution and delivery of the Regulatory Agreement.

7. This Board hereby appoints U.S. Bank National Association as the initial trustee with respect to the Bonds.

8. This Board hereby appoints the Executive Director of the Authority or his or her Deputy or designee as administrator/manager with respect to the Project and other matters arising in connection with the Bonds (the "Administrator").

9. All consents, approvals, notices, orders, requests and other actions permitted or required by any of the documents authorized by this resolution, whether before or after the issuance of the Bonds, including without limitation any of the foregoing which may be necessary or desirable in connection with any default under or amendment of such documents, any transfer or other disposition of the Project or any redemption of the Bonds, may be given or taken by the Administrator without further authorization by this Board, and the Administrator is hereby authorized and directed to give any such consent, approval, notice, order or request and to take any such action which such officer may deem necessary or desirable to further the purposes of this resolution.

10. All actions heretofore taken by the officers and agents of the Authority with respect to the sale and issuance of the Bonds are hereby approved, confirmed and ratified, and the proper officers of the Authority are hereby authorized and directed, for and in the name and on behalf of the Authority to do any and all things and take any and all actions and execute and deliver any and all certificates, agreements and other documents, including but not limited to those described in the Indenture and the other documents herein approved, which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and delivery of the Bonds and to effectuate the purposes thereof and of the documents herein approved in accordance with this resolution and resolutions heretofore adopted by the Authority.

11. All resolutions or parts thereto in conflict herewith are, to the extent of such conflict, hereby repealed.

12. This resolution shall take effect upon its adoption.

PASSED AND ADOPTED by the Board of Commissioners of the Housing Authority of the County of Los Angeles, State of California, this ____ day of _____, 2008, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

By: _____
Chair of the Board
of Commissioners

ATTEST:

Sachi A. Hamai
Executive Officer
of the Board of Commissioners

By: _____
Deputy

APPROVED AS TO FORM:

RAYMOND G. FORTNER, JR.
County Counsel

By: _____
Deputy



**HOUSING AUTHORITY
of the County of Los Angeles**

Administrative Office

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Gloria Molina
Yvonne Brathwaite Burke
Zev Yaroslavsky
Don Knabe
Michael D. Antonovich
Commissioners

William K. Huang
Acting Executive Director

July 23, 2008

Honorable Housing Commissioners
Housing Authority of the
County of Los Angeles
2 Coral Circle
Monterey Park, California 91755

Dear Commissioners:

**RESOLUTION AUTHORIZING THE ISSUANCE OF MULTIFAMILY HOUSING
MORTGAGE REVENUE BONDS FOR LEFFINGWELL MANOR IN
UNINCORPORATED WHITTIER (4)**

SUBJECT:

This letter requests that your Board authorize the issuance, sale and delivery of Multifamily Housing Mortgage Revenue Bonds to finance the site acquisition and rehabilitation of Leffingwell Manor, an 89-unit multifamily project located at 11410 Santa Gertrudes Avenue in unincorporated Whittier.

IT IS RECOMMENDED THAT YOUR COMMISSION:

1. Recommend that the Board of Commissioners find that the approval of a resolution authorizing the issuance of Multifamily Housing Mortgage Revenue Bonds by the Housing Authority of the County of Los Angeles to finance the site acquisition and rehabilitation of the 89-unit Leffingwell Manor is not subject to the California Environmental Quality Act (CEQA) because it is not defined as a project under CEQA and does not have the potential for causing a significant effect on the environment.
2. Recommend that the Board of Commissioners adopt and instruct the Chair to sign the attached Resolution, as required under Section 147(f) of the Internal Revenue Code of 1986, authorizing the issuance of Multifamily Housing Mortgage Revenue Bonds by the Housing Authority of the County of Los Angeles, in an aggregate amount not exceeding \$8,855,000, to assist Leffingwell Manor, KBS, L.P. (Developer) in financing the site acquisition and rehabilitation of



Leffingwell Manor, an 89-unit multifamily rental housing project located at 11410 Santa Gertrudes Avenue in unincorporated Whittier.

3. Recommend that the Board of Commissioners authorize the Acting Executive Director to execute all related documents and take all necessary actions for the issuance, sale, and delivery of the bonds.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION:

The purpose of this action is to authorize the issuance, sale and delivery of Multifamily Housing Mortgage Revenue Bonds, in an aggregate amount not to exceed \$8,855,000 to finance the site acquisition and rehabilitation of Leffingwell Manor. This action will also allow the bonds to qualify for a tax exemption under Section 103 of the Internal Revenue Code of 1986.

FISCAL IMPACT/FINANCING:

No County costs will be incurred. The bonds will be repaid solely through rent revenues. The Developer will pay all fees and related costs.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

The Housing Authority issues Multifamily Housing Mortgage Revenue Bonds on an ongoing basis to provide financing to increase the supply of multifamily housing for very low-, low-, and moderate-income families throughout Los Angeles County.

On October 5, 2007, as authorized by Section 147(f) of the Internal Revenue Code of 1986, the Housing Authority conducted a public hearing regarding the issuance of bonds to finance the project, at its office located at 2 Coral Circle in Monterey Park. No comments were received at the public hearing concerning the issuance of the bonds or the nature and location of the project.

On December 11, 2007, your Board adopted an Inducement Resolution declaring the intent of the Housing Authority to undertake the financing of a Multifamily Housing Mortgage Revenue Bond project in accordance with United States Treasury Department Regulations. This action established a base date after which costs incurred by the Developer for the project could be included in the acquisition, construction and permanent financing obtained pursuant to the issuance of tax-exempt bonds.

The Developer proposes to rehabilitate 89 multifamily rental units, including one manager's unit, at the property site located at 11410 Santa Gertrudes Avenue in unincorporated Whittier. Seventeen of the units will be reserved for households with incomes that do not exceed 50% of the Area Median Income (AMI) for the Los Angeles-Long Beach Metropolitan Statistical Area, adjusted for household size, as determined

by the U.S. Department of Housing and Urban Development. Seventy-one of the units will be reserved for households with incomes that do not exceed 60% of the AMI. The manager's unit will have no affordability requirements. These requirements will remain in effect for 55 years.

The attached Resolution has been prepared by Hawkins Delafield and Wood, Housing Authority Bond Counsel, and has been approved as to form by County Counsel. All other related documents, in substantially final form, are on file with the Executive Office of the Board of Commissioners. They will be approved as to form by County Counsel prior to execution by the authorized parties.

ENVIRONMENTAL DOCUMENTATION:

This action is exempt from the provisions of the National Environmental Policy Act pursuant to 24 Code of Federal Regulations, Part 58, Section 58.34 (a)(3) because it involves administrative activities that will not have a physical impact on or result in any physical changes to the environment.

The proposed actions are not subject to the provisions of CEQA pursuant to State CEQA Guidelines 15060(c)(3) and 15378, because they are not defined as a project under CEQA and do not have the potential for causing a significant effect on the environment.

IMPACT ON CURRENT PROJECT:

The proposed action will increase the supply of affordable housing in the County.

Respectfully submitted,


WILLIAM K. HUANG
Acting Executive Director

Attachments: 1

RESOLUTION AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF MULTIFAMILY HOUSING REVENUE BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$8,855,000 FOR THE PURPOSE OF MAKING A LOAN TO PROVIDE FINANCING FOR A MULTIFAMILY RENTAL HOUSING PROJECT KNOWN AS LEFFINGWELL MANOR APARTMENTS PROJECT, DETERMINING AND PRESCRIBING CERTAIN MATTERS RELATING THERETO, AND APPROVING AND AUTHORIZING THE EXECUTION OF RELATED DOCUMENTS, AGREEMENTS AND ACTIONS.

WHEREAS, the Housing Authority of the County of Los Angeles (the "Authority") is authorized and empowered by the provisions of Section 34312.3 of the Health and Safety Code of the State of California (the "Act") to issue and sell revenue bonds for the purpose of making loans or otherwise providing funds to finance the acquisition and rehabilitation of multifamily residential rental housing projects, including units for households meeting the income limits set forth in the Act; and

WHEREAS, there has been prepared and presented to this Board for consideration at this meeting the documentation required for the issuance of bonds for the financing of the Leffingwell Manor Apartments project (the "Project"); and

WHEREAS, it appears that each of the documents and instruments above referred to which are now before this meeting is in appropriate form and is an appropriate instrument to be executed and delivered for the purposes intended;

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners of the Housing Authority of the County of Los Angeles, as follows:

1. It is hereby found and determined that it is necessary and desirable for the Authority to provide financing for the Project through the issuance and sale of the Bonds (as hereinafter defined) in order to assist in the acquisition and rehabilitation of the type of dwelling units provided by the Project.

2. For the purpose of raising moneys with which to effectuate financing for the Project, the Authority hereby determines to issue its Multifamily Housing Revenue Bonds (Leffingwell Manor Apartments Project), 2008 Series D, in one or more subseries, each with an appropriate subseries designation (collectively, the "Bonds"), in an aggregate principal amount not to exceed \$8,855,000. The Bonds shall bear interest at the interest rates set forth in or determined in accordance with a Trust Indenture (the "Indenture"), by and between the Authority and U.S. Bank National Association, as trustee (the "Trustee"), until their respective maturities or earlier redemption, tender or payment, but not later than 40 years from the date of issue. The Bonds shall be in substantially the form set forth in the Indenture, with such appropriate variations, omissions, insertions and provisions as are permitted or required thereby, which shall

be appropriately completed when the Bonds are prepared. The Bonds shall be limited obligations of the Authority payable solely from the revenues, receipts and other moneys pledged therefor under the Indenture.

3. The Bonds shall be executed on behalf of the Authority by the manual or facsimile signature of the Chair of this Board and attested with the manual or facsimile signature of the Executive Officer of this Board.

4. The proposed form of Indenture, in the form presented to this meeting, is hereby approved. The Chair of this Board and the Executive Director of the Authority are each hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Indenture, in substantially said form, with such additions thereto or changes therein as such officer may approve or recommend upon consultation with counsel to the Authority and Bond Counsel to the Authority (provided that such additions or changes shall not authorize an aggregate principal amount of Bonds in excess of the amount stated above or result in an initial interest rate on the Bonds in excess of 12%), the approval of such additions or changes to be evidenced conclusively by the execution and delivery of the Indenture. The date, maturity dates, interest rate or rates, interest payment dates, denominations, form, registration privileges, manner of execution, place of payment, terms of redemption and other terms of the bonds shall be as provided in the Indenture as finally executed.

5. The proposed form of Loan Agreement (the "Loan Agreement"), by and between the Authority and Leffingwell Manor KBS, L.P., a California limited partnership (the "Borrower"), in the form presented to this meeting, is hereby approved. The Chair of this Board and the Executive Director of the Authority are each hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Loan Agreement, with such additions or changes in said document as such officer may recommend or approve upon consultation with counsel to the Authority and Bond Counsel to the Authority, the approval of such additions or changes to be evidenced conclusively by the execution and delivery of the Loan Agreement.

6. The proposed form of Regulatory Agreement and Declaration of Restrictive Covenants (the "Regulatory Agreement"), by and among the Authority, the Trustee and the Borrower, in the form presented to this meeting, is hereby approved. The Chair of this Board and the Executive Director of the Authority are each hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Regulatory Agreement, with such additions or changes in said document as such officer may recommend or approve upon consultation with counsel to the Authority and Bond Counsel to the Authority, the approval of such additions or changes to be evidenced conclusively by the execution and delivery of the Regulatory Agreement.

7. This Board hereby appoints U.S. Bank National Association as the initial trustee with respect to the Bonds.

8. This Board hereby appoints the Executive Director of the Authority or his or her Deputy or designee as administrator/manager with respect to the Project and other matters arising in connection with the Bonds (the "Administrator").

9. All consents, approvals, notices, orders, requests and other actions permitted or required by any of the documents authorized by this resolution, whether before or after the issuance of the Bonds, including without limitation any of the foregoing which may be necessary or desirable in connection with any default under or amendment of such documents, any transfer or other disposition of the Project or any redemption of the Bonds, may be given or taken by the Administrator without further authorization by this Board, and the Administrator is hereby authorized and directed to give any such consent, approval, notice, order or request and to take any such action which such officer may deem necessary or desirable to further the purposes of this resolution.

10. All actions heretofore taken by the officers and agents of the Authority with respect to the sale and issuance of the Bonds are hereby approved, confirmed and ratified, and the proper officers of the Authority are hereby authorized and directed, for and in the name and on behalf of the Authority to do any and all things and take any and all actions and execute and deliver any and all certificates, agreements and other documents, including but not limited to those described in the Indenture and the other documents herein approved, which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and delivery of the Bonds and to effectuate the purposes thereof and of the documents herein approved in accordance with this resolution and resolutions heretofore adopted by the Authority.

11. All resolutions or parts thereto in conflict herewith are, to the extent of such conflict, hereby repealed.

12. This resolution shall take effect upon its adoption.

PASSED AND ADOPTED by the Board of Commissioners of the Housing Authority of the County of Los Angeles, State of California, this ____ day of _____, 2008, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

By: _____
Chair of the Board
of Commissioners

ATTEST:

Sachi A. Hamai
Executive Officer
of the Board of Commissioners

By: _____
Deputy

APPROVED AS TO FORM:

RAYMOND G. FORTNER, JR.
County Counsel

By: _____
Deputy



**HOUSING AUTHORITY
of the County of Los Angeles**

Administrative Office

2 Coral Circle • Monterey Park, CA 91755

323.890.7001 • TTY: 323.838.7449 • www.lacdc.org



Gloria Molina
Yvonne Brathwaite Burke
Zev Yaroslavsky
Don Knabe
Michael D. Antonovich
Commissioners

William K. Huang
Acting Executive Director

July 23, 2008

Honorable Housing Commissioners
Housing Authority of the
County of Los Angeles
2 Coral Circle
Monterey Park, California 91755

Dear Commissioners:

**APPROVE CONSTRUCTION CONTRACT FOR FINAL PHASE OF GAS LINE
REPLACEMENT AT CARMELITOS FAMILY HOUSING DEVELOPMENT
IN THE CITY OF LONG BEACH (4)**

SUBJECT:

This letter requests approval of a construction contract (Contract) for the fourth and final phase of the gas line replacement improvements at the Carmelitos family housing development located at 1000 Via Wanda in the City of Long Beach.

IT IS RECOMMENDED THAT YOUR COMMISSION:

1. Recommend that the Board of Commissioners find that the approval of a Contract for the fourth and final phase of the gas line replacement improvements at Carmelitos family housing development is exempt from the provisions of the California Environmental Quality Act (CEQA), as described herein, because the work includes activities that will not have the potential for causing a significant effect on the environment.
2. Recommend that the Board of Commissioners approve and authorize the Acting Executive Director of the Housing Authority to execute a Contract in the amount of \$1,453,120, in substantially the form of the attached, and all related documents, with M.L. Construction, to complete the fourth and final phase of the gas line replacement improvements at the subject property, to be effective following execution by all parties and issuance of the Notice to Proceed, which will not exceed 30 days following the date of Board approval.



3. Recommend that the Board of Commissioners authorize the Acting Executive Director to approve Contract change orders not exceeding \$290,624 for unforeseen project cost.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION:

The purpose of this action is to award a Contract to complete the fourth and final phase of the gas line replacement improvements at the Carmelitos family housing development.

FISCAL IMPACT/FINANCING:

There is no impact on the County general fund. The Housing Authority will fund the improvements with \$1,453,120 in Capital Funds Program funds allocated by the U.S. Department of Housing and Urban Development (HUD) and included in the Housing Authority's approved Fiscal Year 2008-2009 budget. A 20 percent contingency, in the amount of \$290,624, is also being set aside for unforeseen costs, using the same source of funds.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

Your Board previously approved the construction contracts for phases one through three of the gas line replacement improvements at the 558-unit Carmelitos family housing development. Phase one included at least one unit type of each of the different configurations to determine any unforeseen conditions. Phase two included 26 buildings for a total of 182 units. Phase three included 26 buildings for a total of 176 units.

The fourth and final phase, addressed by the proposed Contract, will include 28 buildings for a total of 165 units. The work is required in order to replace gas lines whose deterioration due to age and damage by corrosion are a potential safety hazard and liability to the Housing Authority. The work includes installation of new gas lines from the gas meter to the point of connection of house appliances such as water heaters, dryers, ranges, and wall furnaces, as well as all associated work for all 165 units. It is anticipated that the entire project will be completed within 365 calendar days following the Notice to Proceed.

The improvements are being federally funded and are not subject to the requirements of the Greater Avenues for Independence (GAIN) Program or the General Relief Opportunity for Work (GROW) Program implemented by the County of Los Angeles. Instead, M.L. Construction will comply with Section 3 of the Housing and Community Development Act of 1968, as amended, which requires that employment and other economic opportunities generated by certain HUD assistance be directed to low- and

very low-income persons, particularly to persons who are recipients of HUD housing assistance.

The Contract has been approved as to form by County Counsel and executed by M.L. Construction.

ENVIRONMENTAL DOCUMENTATION:

Pursuant to Title 24 of the Code of Federal Regulations, Section 58.35 (a)(3)(ii), this action is excluded from the National Environmental Policy Act (NEPA) because it involves activities that will not alter existing environmental conditions. The action is exempt from the provisions of CEQA pursuant to State CEQA Guidelines Section 15301 because it does not have the potential for causing a significant effect on the environment.

CONTRACTING PROCESS:

On May 22, 2008, the Housing Authority initiated an outreach to identify a contractor to complete the work at the subject properties. Invitations for Bids were mailed to 445 contractors identified from the Housing Authority's vendor list. Advertisements also appeared in eight newspapers and on the County Web Site. Four bid packages were requested and distributed.

On June 24, 2008, two bids were received and formally opened. The lowest bid, submitted by G-2000, Inc., was determined to be non-responsive due to mathematical and calculation errors in their final numbers. The bid was withdrawn on June 24, 2008.

The second bid, submitted by M.L. Construction, was determined to be responsive and is being recommended for the contract award. M.L. Construction was the selected contractor for each of the first three phases of the gas line replacement project.

The Summary of Outreach Activities is provided as Attachment A.

IMPACT ON CURRENT PROJECT:

The award of the Contract will replace the natural gas lines and provide the residents with safe living conditions.

Respectfully submitted,


for WILLIAM K. HUANG
Acting Executive Director

Honorable Housing Commissioners
July 23, 2008
Page 4

WKH:MB:jr

Attachments: 2

c: County Counsel

ATTACHMENT A

Summary of Outreach Activities

Gas line replacement at Carmelitos family housing development

On May 22, 2008, the following outreach was initiated to identify a contractor for replacement of gas lines at Carmelitos family housing development, located at 1000 Via Wanda in Long Beach.

A. Newspaper Advertising

Announcements appeared in the following eight local newspapers:

Dodge Construction News	Los Angeles Sentinel
Eastern Group Publications	Los Angeles Times
International Daily News	The Daily News
La Opinion	WAVE Community Newspapers
Long Beach Press Telegram	

An announcement was also posted on the County Web Site.

B. Distribution of Bid Packages

The Housing Authority's vendor list was used to mail out Invitations for Bids to 445 contractors, of which 391 identified themselves as businesses owned by minorities or women (private firms which are 51 percent owned by minorities or women, or publicly-owned businesses in which 51 percent of the stock is owned by minorities or women). As a result of the outreach, four bid packages were requested and distributed.

C. Pre-Bid Conference and Site Walk

On June 10, 2008, a mandatory pre-bid conference and site walk was conducted. Four firms were in attendance.

D. Bid Results

On June 24, 2008, a total of two bids was received and publicly opened. The bid results were as follows:

<u>Company</u>	<u>Bid Amount</u>
G-2000 Inc.	\$ 798,113.00
M.L. Construction	\$ 1,453,120.00

E. Minority/Female Participation – Selected Contractor

<u>Name</u>	<u>Ownership</u>	<u>Employees</u>
M.L. Construction	Non-minority	Total: 12 5 Minorities 1 Woman 18% minorities 6% women
V & M Iron Works* (Sub) (Plumbing Installer)	Minority	Total: 15 15 minority 1 women 100% minorities 7% women
NSK Construction (Sub) (Plumbing Installer)	Non Minority	Total: 6 1 minorities 1 women 16% minorities 16% women

The Housing Authority conducts ongoing outreach to include minorities and women in the contract award process, including: providing information at local and national conferences; conducting seminars for minorities and women regarding programs and services; advertising in newspapers to invite placement on the vendor list; and mailing information to associations representing minorities and women. The above information has been voluntarily provided to the Housing Authority.

The recommended award of the contract is being made in accordance with the Housing Authority's policies and federal regulations, and without regard to race, creed, color, or gender.

Contract Summary

Project Name: Carmelitos Gas Lines Replacement Phase IV
Location: Carmelitos Family Housing Development
Bid Number: CDC-08-441
Bid Date: June 24, 2008
Contractor: M.L. Construction
Services: Complete gas lines replacement to 28 buildings for a total of 165 units.

Contract Documents: Part A - Instructions to Bidders and General Conditions; Part B – Specifications; Part C – Bidder's Documents, Representations, Certifications, Bid, and Other Statements of Bidder.

Time of Commencement and Completion: The work to be performed under this Construction Contract shall be commenced within ten (10) days after a Notice to Proceed is received by the Contractor, or on the date specified in the Notice, whichever is later, and shall be completed within three hundred sixty-five (365) calendar days following the required commencement date.

Liquidated Damages: In the event of breach of contract, the Contractor and his/her sureties shall be liable for, and shall pay to the Housing Authority the sum of **Five Hundred Dollars (\$500.00)** as liquidated damages for each calendar day of delay, until the Work is accepted by the Housing Authority.

Contract Sum: The Housing Authority shall pay the Contractor for the performance of the Construction Contract subject to additions and deductions by Change Order(s) as provided in the Contract Documents, in current funds, the sum of **One Million Four Hundred Fifty-Three Thousand One Hundred Twenty Dollars and No Cents (\$1,453,120.00)**. The Contract Sum is not subject to escalation, and includes all labor and material increases anticipated throughout the duration of this Construction Contract.

Contract Contingency: \$290,624.00.



**HOUSING AUTHORITY
of the County of Los Angeles**

Administrative Office
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Gloria Molina
Yvonne Brathwaite Burke
Zev Yaroslavsky
Don Knabe
Michael D. Antonovich
Commissioners

William K. Huang
Acting Executive Director

July 23, 2008

Honorable Housing Commissioners
Housing Authority of the
County of Los Angeles
2 Coral Circle
Monterey Park, California 91755

Dear Commissioners:

**APPROVE CONSTRUCTION CONTRACT FOR PHASE ONE OF HARBOR HILLS
HOUSING DEVELOPMENT KITCHEN REMODEL PROJECT (4)**

SUBJECT:

Approval of the construction contract (Contract) will provide for phase one of the kitchen remodel for 104 of the 301 units at the Harbor Hills housing development, located at 26607 South Western Avenue in the City of Lomita.

IT IS RECOMMENDED THAT YOUR COMMISSION:

1. Recommend that the Board of Commissioners find that the approval of a Contract for phase one of the kitchen remodel at the Harbor Hills housing development is exempt from the provisions of the California Environmental Quality Act (CEQA), as described herein, because the work includes activities that will not have the potential for causing a significant effect on the environment.
2. Recommend that the Board of Commissioners approve and authorize the Acting Executive Director to execute a Contract in the amount of \$1,170,000, in substantially the form of the attached and all related documents, with Gibraltar Construction Company, Inc., to complete the kitchen remodel of 104 units at the subject property, to be effective following execution by all parties and the issuance of the Notice to Proceed, which will not exceed 30 days following the date of Board approval.



3. Recommend that the Board of Commissioners authorize the Acting Executive Director to approve Contract change orders not exceeding \$234,000 for unforeseen project costs.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION:

The purpose of this action is to award a Contract to complete phase one of the kitchen remodel at the Harbor Hills housing development.

FISCAL IMPACT/FINANCING:

There is no impact on the County general fund. The Housing Authority will fund the remodel with \$1,170,000 in Capital Fund Program (CFP) funds allocated by the U.S. Department of Housing and Urban Development (HUD) and included in the Housing Authority's approved Fiscal Year 2008-2009 budget. A 20 percent contingency, in the amount of \$234,000, is also being set aside for unforeseen costs, using the same source of funds.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

Phase one of the kitchen remodeling includes 104 of the 301 units at the Harbor Hills housing development. The scope of work includes replacement of existing cabinetry, countertops, sinks and plumbing fixtures, stoves and range hoods, water heater, flooring, and lighting fixtures, and painting the kitchen, including all related work.

The improvements are being federally funded, and are not subject to the requirements of the Greater Avenues for Independence (GAIN) Program or the General Relief Opportunity for Work (GROW) Program implemented by the County of Los Angeles. Instead, Gibraltar Construction Company, Inc. will comply with Section 3 of the Housing and Community Development Act of 1968, as amended, which requires that employment and other economic opportunities generated by certain HUD assistance be directed to low- and very low-income persons, particularly to persons who are recipients of HUD housing assistance.

The Housing Authority has selected Gibraltar Construction Company, Inc. to complete phase one of the kitchen remodel project. The Contract has been approved as to form by County Counsel and executed by Gibraltar Construction Company Inc.

ENVIRONMENTAL DOCUMENTATION:

Pursuant to Title 24 of the Code of Federal Regulations, Section 58.35 (a)(3)(ii), this action is excluded from the National Environmental Policy Act (NEPA) because it involves activities that will not alter existing environmental conditions. The action is exempt from the provisions of CEQA pursuant to State CEQA Guidelines Section 15301 because it does not have the potential for causing a significant effect on the environment.

CONTRACTING PROCESS:

On February 21, 2008, the Housing Authority initiated an outreach to identify a contractor to complete the work at the subject property. Invitations for Bids were mailed to all Class B licensed contractors identified from the Housing Authority's vendor list. Advertisements also appeared in seven local newspapers and on the County WebVen website. Twenty bid packages were requested and distributed.

On April 25, 2008, three bids were received and formally opened. The lowest bid, submitted by Gibraltar Construction Company, Inc, was determined to be the most responsive and is being recommended for the Contract award. The Summary of Outreach Activities is provided as Attachment A.

The second lowest bidder, Professional Building Contractors, Inc. (PBC, Inc.), submitted a protest letter on May 16, 2008 regarding the award of the contract. The Housing Authority held a meeting with PBC, Inc. on June 26, 2008 to discuss the issues outlined in the protest letter, including the requirements related to contracting with small and minority firms. PBC, Inc. subsequently withdrew its protest letter on June 27, 2008.

IMPACT ON CURRENT PROJECT:

The award of the Contract will help to ensure the residents with decent and safe living conditions.

Respectfully submitted,



for WILLIAM K. HUANG
Acting Executive Director

WKH:MB:vl

Attachments: 2

ATTACHMENT A

Summary of Outreach Activities

Harbor Hills Housing Development Kitchen Remodel Project, Phase I

On February 21, 2008, the following outreach was initiated to identify a contractor for the kitchen remodel of 104 units at the Harbor Hills housing development located at 26607 South Western Avenue, in the City of Lomita.

A. Newspaper Advertising

Announcements appeared in the following seven local newspapers:

Dodge Construction News	Los Angeles Sentinel
Eastern Group Publications	Los Angeles Times
International Daily News	The Daily News
La Opinion	

An announcement was also posted on the County Web Site.

B. Distribution of Bid Packages

The Housing Authority's vendor list was used to mail out Invitations for Bids to 558 A-licensed contractors, of which 326 identified themselves as businesses owned by minorities or women (private firms which are 51 percent owned by minorities or women, or publicly-owned businesses in which 51 percent of the stock is owned by minorities or women). As a result of the outreach, eight bid packages were requested and distributed.

C. Pre-Bid Conference and Site Walk

On March 6, 2008 a mandatory pre-bid conference and site walk was conducted. Twenty-nine firms were in attendance.

D. Bid Results

On April 25, 2008, a total of three bids were received and publicly opened. The bid result was as follows:

<u>Company</u>	<u>Bid Amount</u>
Gibraltar Construction Company	\$1,170,000.00
Professional Building Contractors, Inc. (PBC, Inc.)	\$1,588,330.89
Minako America Corp.	\$1,772,922.00

E. Minority/Female Participation – Selected Contractor

<u>Name</u>	<u>Ownership</u>	<u>Employees</u>
Gibraltar Construction Company, Inc.	Non-Minority	Total: 50 16 Minorities 5 Women 32% Minorities .10% Women

F. Minority/Female Participation – Contractors Not Selected

<u>Name</u>	<u>Ownership</u>	<u>Employees</u>
Professional Building Contractors, Inc. (aka PBC, Inc.)	Non-Minority	Total: 48 41 Minorities 3 Women 85% Minorities 6% Women
Minako America Contractors, Inc. (aka PBC, Inc.)	Non-Minority	Total: 40 18 Minorities 0 Women 45% Minorities 0% Women

The Housing Authority conducts ongoing outreach to include minorities and women in the contract award process, including: providing information at local and national conferences; conducting seminars for minorities and women regarding programs and services; advertising in newspapers to invite placement on the vendor list; and mailing information to associations representing minorities and women. The above information has been voluntarily provided to the Housing Authority.

The recommended award of the contract is being made in accordance with the Housing Authority's policies and federal regulations, and without regard to race, creed, color, or gender.

Contract Summary

Project Name: Harbor Hills Kitchen Remodel Project, Phase I
Location: 26607 South Western Avenue, in the City of Lomita
Bid Number: CDC08-387
Bid Date: April 25, 2008
Contractor: Gibraltar Construction Company, Inc.
Services: Replacement of kitchen cabinetry, counter tops, flooring, plumbing fixtures, lighting fixtures, and water heaters; and painting.

Contract Documents: Part A – Instructions to Bidders and General Conditions; Part B – Specifications; Part C – Bidder's Documents, Representations, Certifications, Bid, and Other Statements of Bidder; all Addenda to the Contract Documents.

Time of Commencement and Completion: The work to be performed under this Contract shall be commenced within ten (10) days after a Notice to Proceed is received by the Contractor, or on the date specified in the Notice, whichever is later, and shall be completed within two hundred and ten (210) calendar days following the required commencement date.

Liquidated Damages: In the event of breach of contract, the Contractor and his/her sureties shall be liable for, and shall pay to the Housing Authority the sum of **Four Hundred Dollars and Zero Cents (\$400.00)** as liquidated damages for each calendar day of delay, until the Work is accepted by the Owner.

Contract Sum: The Housing Authority shall pay the Contractor for the performance of the Construction Contract subject to additions and deductions by Change Order(s) as provided in the Contract Documents, in current funds, the sum of **One Million One Hundred Seventy Thousand Dollars and Zero Cents (\$1,170,000.00)**. The Contract Sum is not subject to escalation, includes all labor and material increases anticipated throughout the duration of this Construction Contract.

Contract Contingency: \$234,000.00



**HOUSING AUTHORITY
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Gloria Molina
Yvonne Brathwaite Burke
Zev Yaroslavsky
Don Knabe
Michael D. Antonovich
Commissioners

William K. Huang
Acting Executive Director

July 23, 2008

Honorable Housing Commissioners
Housing Authority of the
County of Los Angeles
2 Coral Circle
Monterey Park, California 91755

Dear Commissioners:

**APPROVE ELEVATOR CONSULTING SERVICES CONTRACT FOR ELEVATOR
MODERNIZATION AT KINGS ROAD SENIOR HOUSING DEVELOPMENT
IN THE CITY OF WEST HOLLYWOOD (3)**

SUBJECT:

This letter requests approval of a consultant contract (Contract) for design services for the modernization of four elevators at the Kings Road senior housing development located at 800-801 North Kings Road in the City of West Hollywood.

IT IS RECOMMENDED THAT YOUR COMMISSION:

1. Recommend that the Board of Commissioners find that approval of a Contract for elevator consulting services is not subject to the provisions of the California Environmental Quality Act (CEQA), as described herein, because the activities are not defined as a project under CEQA.
2. Recommend that the Board of Commissioners approve and authorize the Acting Executive Director to execute a Contract in the amount of \$71,845, in substantially the form of the attached, and all related documents, with IDS Group, Inc. (Consultant), to complete design services for the modernization of four elevators at the subject property, to be effective following execution by all parties and issuance of the Notice to Proceed, which will not exceed 30 days following the date of Board approval.



3. Recommend that the Board of Commissioners authorize the Acting Executive Director to execute amendments to the Contract, following approval as to form by the County Counsel, to extend the time of performance for an additional year without increasing the total amount of compensation.
4. Recommend that the Board of Commissioners authorize the Acting Executive Director to execute amendments to the Contract, following approval as to form by the County Counsel, to increase the Contract by up to an aggregate amount of \$14,369 for unforeseen project costs.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION:

The purpose of this action is to award a Contract for the design services for four elevators at 800-801 North Kings Road in the City of West Hollywood.

FISCAL IMPACT/FINANCING:

There is no impact on the County general fund. The Housing Authority will fund the elevator modernization project with \$71,845 in operating subsidies and dwelling rental funds. A 20 percent contingency, in the amount of \$14,369, is also being set aside for unforeseen costs, using the same source of funds. A total of \$86,214 is included in the Housing Authority's approved Fiscal Year 2008-2009 budget for the purposes described above, using the same source of funds.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

The three-story, 106-unit Kings Road senior housing development was constructed in 1980, and the four elevators were part of the original construction.

The Consultant will be responsible for preparing the designs, plans, calculations, and specifications for the four elevators, as well as obtaining all plan check approvals, assisting with the bid phase to identify a contractor to perform the needed elevator modernization, and performing construction observation services.

The improvements are being federally funded, and are not subject to the requirements of the Greater Avenues for Independence (GAIN) Program or the General Relief Opportunity for Work (GROW) Program implemented by the County of Los Angeles. Instead, the Consultant will comply with Section 3 of the Housing and Community Development Act of 1968, as amended, which requires that employment and other economic opportunities generated by certain U.S. Department of Housing and Urban Development (HUD) assistance be directed to low- and very low-income persons, particularly to persons who are recipients of HUD housing assistance.

The Contract has been approved as to form by County Counsel.

ENVIRONMENTAL DOCUMENTATION:

This action is exempt from the provisions of the National Environmental Policy Act pursuant to 24 Code of Federal Regulations, Part 58, Section 58.34 (a)(1) and (8) because it involves design activities that will not have a physical impact on or result in any physical changes to the environment. The action is not subject to the provisions of CEQA pursuant to State CEQA Guidelines 15060(c)(3) and 15378 because it is not defined as a project under CEQA and does not have the potential for causing a significant effect on the environment.

CONTRACTING PROCESS:

On September 1, 2006, the Housing Authority initiated a Request for Qualifications (RFQ) process to identify a qualified and experienced architectural and engineering firm to provide the needed elevator evaluation and design services. Notices of the RFQ were mailed to 46 architectural and engineering firms identified from the Housing Authority's vendor list. Announcements also appeared in eight local newspapers and on the County Web Site. Three RFQs were requested and distributed.

On September 28, 2006, two firms submitted Statements of Qualifications (SOQ). A review panel of Housing Authority personnel evaluated the two SOQs and determined that the two top-ranked firms, IDS Group, Inc. and Amtech Elevator Services, were qualified.

On June 12, 2007, the performance of the firms was evaluated by the review panel, which determined that IDS Group, Inc. is the most qualified firm to provide the necessary services. The Housing Authority entered into an Agreement in the amount of \$5,600 with the firm to complete the evaluation and inspection assessment phase of all four elevators at the Kings Road senior housing development.


IDS Group, Inc. was invited to submit a fee proposal for the design services phase, based on data gathered in the evaluation and inspection assessment phase, and entered into negotiations with the Housing Authority, resulting in the proposed Contract totaling an aggregate amount of \$71,845.

The Summary of Outreach Activities is provided as Attachment A.

IMPACT ON CURRENT PROJECT:

The proposed Contract will provide for the necessary design services for the modernization of the four elevators at the Kings Road senior housing development.

Respectfully submitted,



WILLIAM K. HUANG
Acting Executive Director

WKH:MB:jr

Attachments: 2

c: County Counsel

ATTACHMENT A

Summary of Outreach Activities

Request for Qualifications (RFQ) for Elevator Consulting Services

On September 1, 2006, the following was initiated to identify the most qualified firm to provide the necessary elevator consulting services for the Housing Authority's housing developments.

A. Newspaper Advertising

Beginning on September 1, 2006, announcements of the RFQ appeared in the following eight newspapers.

Dodge Construction News
Eastern Group Publications
International Daily News
La Opinion

Los Angeles Sentinel
Los Angeles Times
The Daily News
Wave Community Newspapers

The announcement and complete RFQ was posted on the County Web Site for a 23-day advertisement period. Firms were asked to request the RFQ via email directly through the County Web Site or to obtain the RFQ at the Housing Authority.

B. Distribution of RFQs

The Housing Authority's vendor list was used to mail out the announcement of the RFQ to 46 elevator, architectural and engineering firms, of which eight identified themselves as businesses owned by minorities or women (private firms which are 51 percent owned by minorities or women, or publicly-owned businesses in which 51 percent of the stock is owned by minorities or women). As a result of the outreach, three RFQs were requested and distributed.

C. Statements of Qualifications (SOQs)

On September 28, 2006, a total of two firms submitted SOQs, of which none identified themselves as minority-owned.

D. Review of SOQs

On June 12, 2007, a review panel evaluated the performance of the firms and determined that IDS Group, Inc. was the most qualified firm to provide the necessary services. The Housing Authority entered into an Agreement in the amount of \$5,600 with the firm to complete the evaluation and inspection assessment phase of all four elevators at Kings Road senior housing development.

IDS Group, Inc. was invited to submit a fee proposal for the design services phase based on data gathered in the evaluation and inspection assessment phase, and entered into negotiations with the Housing Authority, resulting in an aggregate amount of \$71,845 for the four elevators.

E. Minority/Women Participation– Firm Selected

Name	Ownership	Employees
IDS Group, Inc.	Non-Minority	Total: 21 12 minorities 5 women 55% minority 20% women

F. Minority/Women Participation – Subcontractor Firm Selected

Name	Ownership	Employees
Lerch, Bates, Inc.	Information Not Available	Total: NA NA minorities NA women NA% minority NA% women
OMB Engineers	Information Not Available	Total: NA NA minorities NA women NA% minority NA% women
FT Andrews, Inc.	Information Not Available	Total: NA NA minorities NA women NA% minority NA% women

G. Minority/Women Participation –Firm Not Selected

Name	Ownership	Employees
Amtech Elevator Services	Non-Minority	Total: 20 10 minorities 4 women 50% minority 20% women

The Housing Authority conducts ongoing outreach to include minorities and women in the contract award process, including: providing information at local and national conferences; conducting seminars for minorities and women regarding programs and services; advertising in newspapers to invite placement on the vendor list; and mailing information to associations representing minorities and women. The above information has been voluntarily provided to the Housing Authority. The recommended award of contract is being made in accordance with the Housing Authority's policies and federal regulations, and without regard to race, creed, color, or gender.

Contract Summary

Project Name: Kings Road Housing Development Elevator Modernization
Location: 800-801 Kings Road, West Hollywood, CA
Bid Number: CDC07-148
Bid Date: September 28, 2006
Consultant: IDS Group, Inc.
Services: Complete design, drawings, calculations, and specifications for four elevators, obtaining all plan check approvals, assisting with the bid phase to identify a contractor, and performing construction observation services.

Contract Documents: Attachment A – Fee Schedule, Attachment B - Statement of Work, Attachment C - Required Forms, and Attachment D - Required Notices.

Time of Commencement and Completion: The work to be performed under this Contract shall be commenced within ten (10) days after a Notice to Proceed is received by the Consultant, or on the date specified in the Notice, whichever is later, and shall be completed within forty five (45) calendar days following the required commencement date.

Contract Sum: The Housing Authority shall pay the Consultant for the performance of the Contract subject to additions and deductions by Change Order(s) as provided in the Contract Documents, in current funds, the sum of **Seventy-One Thousand Eight Hundred Forty-Five Dollars and No Cents (\$71,845.00)**. The Contract Sum is not subject to escalation, and includes all labor and material increases anticipated throughout the duration of this Construction Contract.

Contract Contingency: \$14,369.00.



**HOUSING AUTHORITY
of the County of Los Angeles**

Administrative Office

2 Coral Circle • Monterey Park, CA 91755

323.890.7001 • TTY: 323.838.7449 • www.lacdc.org



Gloria Molina
Yvonne Brathwaite Burke
Zev Yaroslavsky
Don Knabe
Michael D. Antonovich
Commissioners

William K. Huang
Acting Executive Director

July 23, 2008

Honorable Housing Commissioners
Housing Authority of the
County of Los Angeles
2 Coral Circle
Monterey Park, California 91755

Dear Commissioners:

**APPROVE PROFESSIONAL SERVICES AGREEMENT FOR GENERAL
REHABILITATION AT THE KINGS ROAD SENIOR HOUSING DEVELOPMENT (3)**

SUBJECT:

This letter requests approval of a professional services agreement (Agreement) to provide architectural and engineering services for the general rehabilitation of the Kings Road senior housing development located at 800-801 North Kings Road in the City of West Hollywood.

IT IS RECOMMENDED THAT YOUR COMMISSION:

1. Recommend that the Board of Commissioners find that approval of an Agreement to provide architectural and engineering services is not subject to the provisions of the California Environmental Quality Act (CEQA), as described herein, because the activities are not defined as a project under CEQA.
2. Recommend that the Board of Commissioners approve and authorize the Acting Executive Director to execute an Agreement in the amount of \$187,300, in substantially the form of the attached, and all related documents, with Kennard Design Group (Consultant), to complete architectural and engineering services for the general rehabilitation at the subject property, to be effective following execution by all parties, which will not exceed 30 days following the date of Board approval.
3. Recommend that the Board of Commissioners authorize the Acting Executive Director to execute amendments to the Agreements, following approval as to form by County Counsel, to increase the Agreements by up to an aggregate amount of \$37,460 for unforeseen project costs.



PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION:

The purpose of this action is to award an Agreement for architectural and engineering services to the Consultant for the general rehabilitation of the Kings Road senior housing development.

FISCAL IMPACT/FINANCING

There is no impact on the County general fund. The architectural and engineering services will be funded with \$187,300 in operating subsidies and dwelling rental funds, which is included in the Housing Authority's approved Fiscal Year 2008-2009 budget. A 20 percent contingency, in the amount of \$37,460, is also being set aside for unforeseen costs, using the same source of funds.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

The three-story, 106-unit Kings Road senior housing development was constructed in 1980. The site and buildings are in need of general rehabilitation. The rehabilitation work scope will include painting the building exterior and unit interiors, replacing the security lighting, plumbing lines, windows, smoke detectors, gutter and down spouts, fencing, and flooring in the units, repairing outdoor deck walkways, remodeling the kitchens, installing new fire alarm systems, providing accessibility-related retrofits, and resurfacing and re-stripping the parking lots.

The Consultant will be responsible for preparing the designs, plans, calculations, and specifications for the general rehabilitation work scope as well as obtaining all plan check approvals, assisting with the bid phase to identify a contractor to perform the needed rehabilitation, and performing construction observation services.

The improvements are being federally funded and are not subject to the requirements of the Greater Avenues for Independence (GAIN) Program or the General Relief Opportunity for Work (GROW) Program implemented by the County of Los Angeles. Instead, the Consultant will comply with Section 3 of the Housing and Community Development Act of 1968, as amended, which requires that employment and other economic opportunities generated by certain U.S. Department of Housing and Urban Development (HUD) assistance be directed to low- and very low-income persons, particularly to persons who are recipients of HUD housing assistance.

The Agreements have been approved as to form by County Counsel.

ENVIRONMENTAL DOCUMENTATION:

This action is exempt from the provisions of the National Environmental Policy Act pursuant to 24 Code of Federal Regulations, Part 58, Section 58.34 (a)(1) and (8) because it involves design activities that will not have a physical impact on or result in any physical changes to the environment. The action is not subject to the provisions of

CEQA pursuant to State CEQA Guidelines 15060(c)(3) and 15378 because it is not defined as a project under CEQA and does not have the potential for causing a significant effect on the environment.

CONTRACTING PROCESS:

On August 17, 2006, the Housing Authority initiated a Request for Statement of Qualifications (RFSQ) inviting interested firms to submit statements to be considered for placement on a pre-qualified list for two years from the date of approval by the Executive Director. Notices of the RFSQ were mailed to 212 architectural firms identified from the Housing Authority's vendor list. Announcements also appeared in eight local newspapers and on the County Web Site. Sixty-two RFSQs were requested and distributed.

On September 14, 2006, sixteen firms submitted Statements of Qualifications (SOQs). A review panel of Housing Authority personnel and the Director of Parks and Recreation for the City of Montebello evaluated and ranked the SOQs, selecting the six top-ranked firms to place on the pre-qualified architect list: Gonzalez Goodale Architects, Lehrer Architects, Sparano & Mooney Architecture, Pickard Architects, Kennard Design Group, and GA Design.


Kennard Design Group was determined to be the most qualified firm to provide the necessary services and was invited to submit a fee proposal and enter into fee negotiations with the Housing Authority. The Housing Authority entered into an Agreement in the amount of \$187,300 with the firm to complete the architectural and engineering services.

The Summary of Outreach Activities is provided with this letter as Attachment A.

IMPACT ON CURRENT PROJECT:

The proposed Agreement will provide for the necessary architectural and engineering services for the general rehabilitation of the Kings Road senior housing development.

Respectfully submitted,



WILLIAM K. HUANG
Acting Executive Director

WKH:MB:ck

Attachments: 2

ATTACHMENT A

Summary of Outreach Activities

Request for Statement Qualifications for Architectural Services

On August 17, 2006, the following Request for Statement of Qualifications (RFSQ) process was initiated to identify the most qualified and experienced architectural firm to provide services for the Housing Authority's housing developments.

A. Newspaper Advertising

Beginning on August 17, 2006, announcements of the RFSQ appeared in the following eight local newspapers.

Dodge Construction News/Green Sheet	Los Angeles Sentinel
Eastern Group Publications	Los Angeles Times
International Daily News	The Daily News
La Opinion	Wave Community Newspapers

The announcement of the RFSQ was also posted on the Housing Authority's website and the County WebVen website. Firms were asked to request the RFSQs via email directly through the County's WebVen website or to obtain the RFSQs from the Housing Authority.

B. Distribution of RFQs

The Housing Authority's vendor list was used to mail out the announcement of the RFQ to 212 architectural firms, of which 132 identified themselves as businesses owned by minorities or women (private firms which are 51 percent owned by minorities or women, or publicly-owned businesses in which 51 percent of the stock is owned by minorities or women). As a result of the outreach, 62 RFSQs were requested and distributed.

C. Statements of Qualifications (SOQs)

On September 14, 2006, a total of sixteen firms submitted Statements of Qualifications (SOQs), of which ten identified themselves as minority-owned.

D. Review of Statement of Qualifications

On October 2006 to January 2007, a review panel consisted of the Housing Authority and City of Montebello representatives reviewed the SOQs and ranked each firm independently. Based on qualifications and experiences, the six top-ranked architectural firms of Gonzalez Goodale Architects, Lehrer Architects, Sparano & Mooney Architecture, Pickard Architects, Kennard Design Group, and GA

Design, were determined to be qualified and were placed on the pre-qualified architect list. The Housing Authority entered into an Agreement in the amount of \$187,300 with the Kennard Design Group to complete the architectural and engineering services for the general rehabilitation of the Kings Road senior housing development.

E. Minority/Women Participation– Firm Selected

<u>Name</u>	<u>Ownership</u>	<u>Employees</u>
Kennard Design Group	Minority	Total: 21 12 minorities 5 women 55% minority 20% women

F. Minority/Women Participation – Sub-consultants Firm Selected

<u>Name</u>	<u>Ownership</u>	<u>Employees</u>
Budlong & Associates	Information Not Available	Total: NA NA minorities NA women NA% minority NA% women
Yomtov, Inc.	Information Not Available	Total: NA NA minorities NA women NA% minority NA% women
APSG Engineers	Information Not Available	Total: NA NA minorities NA women NA% minority NA% women

G. Minority/Women Participation –Firm Not Selected

<u>Name</u>	<u>Ownership</u>	<u>Employees</u>
Lehrer Architects, Inc.	Non-Minority	Total: 13 4 minorities 4 women 31% minority

		31% women
GA Design	Non-Minority	Total: 11 1 minority 3 women 9% minority 27% women
Gonzalez Goodale Architects	Non-Minority	Total: 43 22 minorities 5 women 51% minority 12% women
Pickard Architects	Minority	Total: 17 12 minorities 7 women 71% minority 41% women
Sporano + Mooney Architecture	Minority	Total: 6 2 minorities 2 women 33% minority 33% women

The Housing Authority conducts ongoing outreach to include minorities and women in the contract award process, including: providing information at local and national conferences; conducting seminars for minorities and women regarding programs and services; advertising in newspapers to invite placement on the vendor list; and mailing information to associations representing minorities and women. The above information has been voluntarily provided to the Housing Authority.

The recommended award of contract is being made in accordance with the Housing Authority's policies and federal regulations, and without regard to race, creed, color, or gender.

Contract Summary

Project Name: Kings Road Senior Housing Development General Rehabilitation, Professional Services Agreement
Locations: 800-801 North Kings Road, in the City of West Hollywood
Bid Number: CM-06-046
Bid Date: September 14, 2006
Contractor: Kennard Design Group
Services: Provide architectural and engineering services for the general rehabilitation of the housing development

Contract Documents: Professional Services Agreement, Attachment A – Fee Schedule, Attachment B - Statement of Work, Attachment C - Required Forms, and Attachment D - Required Notices

Time of Commencement: Services for each phase shall be performed upon receipt of a written Notice to Proceed from the Housing Authority.

Aggregate Contract Sum: The Housing Authority shall pay the Contractor for the performance of Agreement subject to additions and deductions by Change Order(s) as provided in the Agreement Documents, in current funds, the sum of **One Hundred Eighty Seven Thousand Three Hundred Dollars and Zero Cents (\$187,300.00)**.

Contract Contingency: \$37,460.00



**HOUSING AUTHORITY
of the County of Los Angeles**

Administrative Office
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Gloria Molina
Yvonne Brathwaite Burke
Zev Yaroslavsky
Don Knabe
Michael D. Antonovich
Commissioners

William K. Huang
Acting Executive Director

July 23, 2008

Honorable Housing Commissioners
Housing Authority of the
County of Los Angeles
2 Coral Circle
Monterey Park, California 91755

Dear Commissioners:

**APPROVE MEMORANDUM OF UNDERSTANDING WITH THE
CITY OF LANCASTER FOR HOUSING PROGRAM INVESTIGATIONS (5)**

SUBJECT:

The Memorandum of Understanding (MOU) with the City of Lancaster will enable the Housing Authority to continue investigations of the Section 8 Housing Choice Voucher Program and other housing programs, to ensure that landlords and tenants comply with program regulations.

IT IS RECOMMENDED THAT YOUR COMMISSION:

1. Recommend that the Board of Commissioners find that approval of the MOU between the Housing Authority and the City of Lancaster is not subject to the provisions of the California Environmental Quality Act (CEQA), as described herein, because the activities are not defined as a project under CEQA.
2. Recommend that the Board of Commissioners approve and authorize the Acting Executive Director to execute the MOU with the City of Lancaster, attached in substantially final form, under which the Housing Authority will provide investigative services and receive \$116,340 from the City of Lancaster and \$116,340 in County Economic Development Funds (EDF) allocated to the Fifth Supervisorial District, to be effective following approval as to form by County Counsel and execution by the parties.



3. Recommend that the Board of Commissioners authorize the Acting Executive Director to incorporate into the Housing Authority's approved Fiscal Year 2008-2009 budget \$116,340 from the City of Lancaster, for the purposes described above, and to incorporate any additional funds that may be received from the City of Lancaster for services performed during the term of the MOU.
 4. Recommend that the Board of Commissioners authorize the Acting Executive Director to incorporate into the Housing Authority's approved Fiscal Year 2008-2009 budget County EDF funds in the amount of \$116,340 for the City of Lancaster.
 5. Recommend that the Board of Commissioners authorize the Acting Executive Director to execute amendments to the MOU with the City of Lancaster to include minor administrative changes, and to extend the time of performance for a maximum of two years, in one-year increments; and authorize the Acting Executive Director to incorporate funds received from the City of Lancaster into future approved Housing Authority budgets, for the purpose described above.
-

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION:

The purpose of this action is to provide investigations of housing program participants for eleven months within the City of Lancaster.

FISCAL IMPACT/FINANCING:

There is no impact on the County general fund. The City of Lancaster will provide \$116,340 and the Fifth Supervisorial District will provide \$116,340 in County EDF funds. The total amount of \$232,680 will be incorporated into the Housing Authority's 2008-2009 Fiscal Year budget.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

Since 1978, cooperation agreements have been entered into with the City of Lancaster, permitting the Housing Authority to administer the Section 8 Program within the jurisdiction. Under separate agreements, the Housing Authority also investigates participating landlords and tenants to ensure compliance with program regulations and local and federal laws. The new MOU will continue these investigations for eleven months, using the services of part-time investigative and administrative staff.

The City of Lancaster and the unincorporated Antelope Valley area of the County of Los Angeles will receive the services of one part-time as-needed investigator supervisor, two part-time investigators working a maximum of 3,328 hours annually, one part-time analyst working a maximum of 1,664 hours annually, and one part-time as-needed hearing officer.

The Housing Authority will provide the following services: conduct investigations of suspected program violations; interview witnesses and review files, public records and other documents; prepare written reports and maintain activity logs; prepare cases involving program violations for administrative action; prepare cases for civil or criminal action to document and recover subsidies received by participants based on fraud; testify at criminal and administrative hearings; participate in crime prevention task forces; conduct fraud awareness training for city and County law enforcement officers and other officials; prepare monthly investigation reports; address quality of life issues; and perform other related duties.

The MOU includes mutual indemnification language providing for the City of Lancaster and the Housing Authority to defend and hold harmless and indemnify each other. This language has been incorporated into agreements with other jurisdictions that provide for administration of the Section 8 Program within those jurisdictions.

The MOU has been reviewed by County Counsel. It was approved by the Lancaster City Council on July 8, 2008.

ENVIRONMENTAL DOCUMENTATION:

This action is exempt from the provisions of the National Environmental Policy Act pursuant to 24 Code of Federal Regulations, Part 58, Section 58.34 (a)(3), because it involves administrative activities that will not have a physical impact on or result in any physical changes to the environment. The activity is not subject to the provisions of CEQA pursuant to State CEQA Guidelines, Section 15060(c)(3) and 15378, because it is not defined as a project under CEQA and does not have the potential for causing a significant effect on the environment.

Honorable Housing Commissioners
July 23, 2008
Page 4

IMPACT ON CURRENT PROGRAM:

The services are a deterrent to program fraud and other criminal activity.

Respectfully submitted,


for **WILLIAM K. HUANG**
Acting Executive Director

Attachment: 1

**Memorandum of Understanding By and Between
The Housing Authority of the County of Los Angeles and the
City of Lancaster for Section 8 Program Investigative Services**

This Memorandum of Understanding ("MOU") is made and entered into this ____ day of _____ 2008, by and between the Housing Authority of the County of Los Angeles (the "Housing Authority") and the City of Lancaster (the "City").

Whereas, on August 21, 1978, and continuing, the Housing Authority and the City have entered into annual Cooperation Agreements whereby the Housing Authority administers the Housing Choice Voucher Program (Section 8) and other housing programs within the City (the "Programs"), pursuant to Title II of the Housing and Community Development Act of 1974, as amended, and Section 34200 et. seq. of the California Health and Safety Code; and

Whereas, the Housing Authority operates the Programs within the City using funds allocated by the U.S. Department of Housing ("HUD"), and monitors the compliance of participants with regulations established by HUD and the Housing Authority; and

Whereas, the Housing Authority on an ongoing basis performs investigations to ensure that participants comply with said regulations, and that participants are not involved in criminal or other activity that may negatively impact the Program; and

Whereas, on November 4, 2004, and continuing, the Housing Authority and the City have entered into agreements that have permitted the Housing Authority to perform investigative services within the City and the unincorporated Antelope Valley area of the County of Los Angeles (the "County"); and

Whereas, the Housing Authority and the City wish to enter into the following MOU to continue additional investigative services for eleven (11) months, with funds provided by the County and the City;

NOW, THEREFORE, it is agreed between the parties as follows:

1. Investigative Activities

This MOU shall provide for additional investigative services to address criminal activity and other violations related to the Programs administered by the Housing Authority within the City and the unincorporated Antelope Valley area of the County.

City of Lancaster
MOU Between City and Housing Authority
Page 2 of 6

2. Term

This MOU shall commence as of the day and year first above written and shall remain in full force for a period of eleven (11) months, from September 1, 2008 through June 30, 2009, unless sooner terminated as provided herein. The MOU may be renewed by written amendment duly executed by the parties, for an additional two years, in one-year increments.

3. Termination

This MOU may be terminated by either party with thirty (30) days' written notice transmitted to the addresses provided in Paragraph 6 below.

4. City Responsibilities

The City shall provide to the Housing Authority a total of \$116,340, to be used in conjunction with \$116,340 allocated by the County for the following personnel who shall perform services under this MOU:

Part-Time Investigator Supervisor (1) will supervise the work of the two part-time Investigators, as needed, at a total cost not exceeding \$8,000 for the MOU term.

Part-Time Investigators (2) will provide a total of 64 hours of investigative services per week (3,328 per year) at a total cost not exceeding \$160,000 for the MOU term.

Part-Time Analyst (1) will provide approximately 32 support hours per week (1,664 per year), at a total cost not exceeding \$50,000 for the MOU term, which includes start-up and overhead costs.

Part-Time Hearing Officer (1) will provide hearing services, as needed, of approximately 1-2 days per month, at a total cost not exceeding \$14,680 for the MOU term.

The City shall make its staff available to the Housing Authority, as necessary to address Programs-related violations and criminal activity and to carry out corrective measures.

City of Lancaster
MOU Between City and Housing Authority
Page 3 of 6

The City warrants that all services performed by its employees under this MOU shall be carried out in accordance with all applicable federal, state and County laws and regulations.

The City shall receive from the Housing Authority quarterly invoices identifying the number of hours and description of investigative services performed.

5. Housing Authority Responsibilities

The Housing Authority shall recruit and retain the services of qualified persons to perform the services described in Paragraphs 4 and 5.

The Investigator Supervisor shall be an employee of the Housing Authority and shall perform the following: manage the daily operations of the fraud investigations program; supervise and schedule work assignments of the two Part-Time Investigators; serve as liaison to the City and the County Sheriff's Department; compile statistical data for monthly program reports; and perform other related duties.

The Investigators shall be employees of the Housing Authority and shall perform the following: conduct investigations of suspected violations of the Programs administered by the Housing Authority; gather information through interviewing witnesses, and reviewing files, public records and other documents; prepare written reports and maintain statistical activity logs; prepare cases involving Program violations for administrative action; prepare cases for civil or criminal action to document and recover subsidies received by participants based on fraud; testify in administrative and criminal hearings; participate in any Crime Prevention Task Force and Lancaster Community Appreciation Program; conduct fraud awareness training for law enforcement officers and other officials; prepare monthly reports on investigative activities for submission to the City; address quality of life issues and program regulation enforcement; and perform other related duties.

The Analyst shall be an employee of the Housing Authority and shall perform the following: create and maintain investigation files and compile information relevant to investigations, including the review and research of credit reports, public records and documents; analyze information to determine if fraud or program violations exist; interview clients or other involved parties, as appropriate; prepare investigation reports; recommend

City of Lancaster
MOU Between City and Housing Authority
Page 4 of 6

courses of action and remedies; schedule informal hearings and prepare hearing documents; represent the Housing Authority at informal hearings, as necessary; prepare status, financial and other reports; and perform other related duties.

The Hearing Officer shall be a contractor of the Housing Authority and shall perform the following: conduct reviews and hearings requested by the Housing Authority to consider grievances of program participants under investigation; create and provide to the Housing Authority digital recordings of reviews and hearings; provide recommendations on whether additional information is required to make final determinations; review testimony and evidence in each case, and make final recommendations to the Housing Authority; issue written decisions on each case; and perform other related duties.

The above personnel shall be under the supervision of the Housing Authority, and not under the supervision or training of the City. The Housing Authority warrants that all services performed by its Investigators under this MOU shall be performed in compliance with all applicable federal, state and County laws and regulations.

The Housing Authority shall administer the funds provided by the City to conduct the services described above. All services to be provided by the Housing Authority are included within the quarterly sum to be paid by the City, and there shall be no additional cost to the City for services provided pursuant to this MOU. In the event of termination of the MOU, as provided herein, the City shall be responsible for all fees incurred through the effective date of termination.

The Housing Authority shall submit quarterly statements to the City identifying the number of hours provided, description of investigative services and associated costs. The City shall remit payment for the quarterly invoices within fifteen (15) days of receipt.

6. Notices

Notices provided for in this MOU shall be in writing and shall be addressed to the person intended to receive the same, at the following addresses:

City of Lancaster
MOU Between City and Housing Authority
Page 5 of 6

The Housing Authority: William K. Huang
Acting Executive Director
The Housing Authority of the
County of Los Angeles
2 Coral Circle
Monterey Park, California 91755

The City: Mark Bozigian, City Manager
City of Lancaster
44933 North Fern Avenue
Lancaster, California 93534-2461

Notices addressed as above provided shall be deemed delivered three (3) business days after mailed by U.S. mail or when delivered in person with written acknowledgement of the receipt thereof. The Housing Authority and the City may designate a different address or addresses for notices to be sent by giving written notice of such change of address to all other parties entitled to receive notice.

7. Indemnification

The Housing Authority shall be responsible for and shall defend and hold harmless and indemnify the City, its elected and appointed officials, employees and agents from all costs and claims for damages whatsoever by any third party relating to or resulting from the actions of the Housing Authority, its agents, employees and investigators, in relation to the rendition of services pursuant to this MOU.

The City shall be responsible for and shall defend and hold harmless and indemnify the Housing Authority, the Community Development Commission and the County of Los Angeles, and its elected and appointed officials, employees and agents from all costs and claims for damages whatsoever by any third party relating to or resulting from the actions of the City arising out of or in connection with the services, work, operation or activities of the City, its agents, employees and officials, in relation to the rendition of services pursuant to this MOU.

City of Lancaster
MOU Between City and Housing Authority
Page 6 of 6

8. Entire Document

This MOU constitutes the entire understanding and agreement of the parties.

9. Authority

Each of the parties represents and warrants that the person entering into this MOU on behalf of such party is duly authorized to enter into this MOU on behalf of the party.

10. Counterparts

This MOU may be executed by the parties in counterparts, which counterparts shall be construed together and have the same effect as if all of the parties had executed the same instrument.

IN WITNESS WHEREOF, this Memorandum of Understanding is executed by the parties hereto, by their respective officers thereunto duly authorized as follows:

THE HOUSING AUTHORITY OF
THE COUNTY OF LOS ANGELES

By _____
WILLIAM K. HUANG
Executive Director

APPROVED AS TO FORM:
Raymond G. Fortner, Jr.
County Counsel

By _____
Deputy

CITY OF LANCASTER

By _____
MARK BOZIGIAN
City Manager

APPROVED AS TO FORM:
Office of the City Attorney

By _____
City Attorney

ATTEST:

City Clerk



**HOUSING AUTHORITY
of the County of Los Angeles**

Administrative Office

2 Coral Circle • Monterey Park, CA 91755

323.890.7001 • TTY: 323.838.7449 • www.lacdc.org



Gloria Molina
Yvonne Brathwaite Burke
Zev Yaroslavsky
Don Knabe
Michael D. Antonovich
Commissioners

William K. Huang
Acting Executive Director

July 23, 2008

Honorable Housing Commissioners
Housing Authority of the
County of Los Angeles
2 Coral Circle
Monterey Park, California 91755

Dear Commissioners:

**APPROVE MEMORANDUM OF UNDERSTANDING WITH THE CITY OF
PARAMOUNT FOR SECTION 8 PROGRAM INVESTIGATIONS (4)**

SUBJECT:

The Memorandum of Understanding (MOU) with the City of Paramount will enable the Housing Authority to continue investigations of Housing Voucher Choice Program (Section 8 Program) participating landlords and tenants to ensure compliance with program regulations.

IT IS RECOMMENDED THAT YOUR COMMISSION:

1. Recommend that the Board of Commissioners find that approval of the MOU between the Housing Authority and the City of Paramount is not subject to the provisions of the California Environmental Quality Act (CEQA), as described herein, because the activities are not defined as a project under CEQA.
2. Recommend that the Board of Commissioners approve and authorize the Acting Executive Director to execute the MOU with the City of Paramount, attached in substantially final form, under which the Housing Authority will provide investigative services and receive \$25,000 from the City of Paramount, to be effective following approval as to form by County Counsel and execution by the parties.
3. Recommend that the Board of Commissioners authorize the Acting Executive Director to incorporate into the Housing Authority's approved Fiscal Year 2008-2009 budget a total of \$25,000 from the City of Paramount, for the purposes described above, and to incorporate any



additional funds that may be received from the City of Paramount for services performed during the term of the MOU.

4. Recommend that the Board of Commissioners authorize the Acting Executive Director to execute amendments to the MOU with the City of Paramount to include minor administrative changes, and to extend the time of performance for up to two additional years, in one-year increments; and authorize the Acting Executive Director to incorporate funds received from the City of Paramount into future approved Housing Authority budgets, for the purpose described above.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION:

The purpose of this action is to provide investigations of Section 8 Program participants for ten months within the City of Paramount.

FISCAL IMPACT/FINANCING:

There is no impact on the County general fund. The City of Paramount will provide a total of \$25,000, which will be incorporated into the Housing Authority's 2008-2009 Fiscal Year budget.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

Since 1994, cooperation agreements have been entered into with the City of Paramount that have permitted the Housing Authority to administer the Section 8 Program within the jurisdiction. Under separate agreements, the Housing Authority also investigates participating landlords and tenants to ensure compliance with program regulations and local and federal laws. The new MOU will continue these investigations for ten months, using the services of one quarter-time investigator working 520 hours over the term.

The Housing Authority will provide the following services: conduct investigations of suspected program violations; interview witnesses and review files, public records and other documents; prepare written reports and maintain activity logs; prepare cases involving program violations for administrative action; prepare cases for civil or criminal action to document and recover subsidies received by participants based on fraud; testify at criminal and administrative hearings; participate in crime prevention task forces; conduct fraud awareness training for city and County law enforcement officers and other officials; prepare monthly investigation reports; address quality of life issues; and perform related duties.

The MOU includes mutual indemnification language providing for the City of Paramount and the Housing Authority to defend and hold harmless and indemnify each other. This language has been incorporated into agreements with other jurisdictions that provide for administration of the Section 8 Program within those jurisdictions.

The MOU has been reviewed by County Counsel. It is anticipated that the Paramount City Council will approve the new MOU in early August.

ENVIRONMENTAL DOCUMENTATION:

This action is exempt from the provisions of the National Environmental Policy Act pursuant to 24 Code of Federal Regulations, Part 58, Section 58.34 (a)(3), because it involves administrative activities that will not have a physical impact on or result in any physical changes to the environment. The activity is not subject to the provisions of CEQA pursuant to State CEQA Guidelines, Section 15060(c)(3) and 15378, because it is not defined as a project under CEQA and does not have the potential for causing a significant effect on the environment.

IMPACT ON CURRENT PROGRAM:

The services are a deterrent to program fraud and other criminal activity.

Respectfully submitted,


WILLIAM K. HUANG
Acting Executive Director

Attachment: 1

**Memorandum of Understanding By and Between
The Housing Authority of the County of Los Angeles and the
City of Paramount**

This Memorandum of Understanding ("MOU") is made and entered into this ____ day of _____ 2008, by and between the Housing Authority of the County of Los Angeles (the "Housing Authority") and the City of Paramount (the "City").

Whereas, on October 18, 1994, and continuing, the Housing Authority and the City have entered into annual Cooperation Agreements whereby the Housing Authority administers the Housing Choice Voucher Program – Section 8 (the "Program") within the City, pursuant to Title II of the Housing and Community Development Act of 1974, as amended, and Section 34200 et. seq. of the California Health and Safety Code; and

Whereas, the Housing Authority operates the Program within the City using funds allocated by the U.S. Department of Housing and Urban Development ("HUD"), and monitors the compliance of Program participants with regulations established by HUD and the Housing Authority; and

Whereas, the Housing Authority on an ongoing basis performs investigations to ensure that participants comply with said regulations, and that participants are not involved in criminal or other activity that may negatively impact the Program; and

Whereas, on March 14, 2006, and continuing, the Housing Authority and the City have entered into agreements that have permitted the Housing Authority to perform investigative services within the City; and

Whereas, the Housing Authority and the City wish to enter into the following MOU to provide the equivalent of one quarter-time investigator to perform services for ten (10) months, with funds provided by the City;

NOW, THEREFORE, it is agreed between the parties as follows:

1. Investigative Activities

This MOU shall provide for additional investigative services to address criminal activity and other violations related to the Program administered by the Housing Authority within the City.

City of Paramount
MOU Between City and Housing Authority
Page 2 of 5

2. Term

This MOU shall commence as of the day and year first above written and shall remain in full force for a period of ten (10) months, from September 1, 2008 through June 30, 2009, unless sooner terminated as provided herein. The MOU may be renewed by written amendment duly executed by the parties, for an additional two years, in one-year increments.

3. Termination

This MOU may be terminated by either party with thirty (30) days written notice transmitted to the addresses provided in Paragraph 6 below.

4. City Responsibilities

For those supplemental investigative and supervisory services provided by the Housing Authority, identified in Paragraph 5 below, the City shall pay to the Housing Authority the sum of Two Thousand and Eight-Three Dollars (\$2,083) per month, or a total amount not exceeding Twenty-Five Thousand Dollars (\$25,000) during the term of this MOU.

The City shall receive from the Housing Authority investigative services totaling no less than 120 hours per three-month period, and no more than 520 hours during the term of this MOU.

The City shall make its staff available to the Housing Authority, as necessary to address Program-related violations and criminal activity and to carry out corrective measures. However, City staff shall **not** accompany Housing Authority investigators into the field when assessing Program-related violations or criminal activity.

The City warrants that all services performed by its employees under this MOU shall be carried out in accordance with all applicable federal, state and County laws and regulations.

The City shall receive from the Housing Authority monthly invoices identifying the number of hours and description of investigative services performed. The City shall remit payment for the quarterly invoices within fifteen (15) days of receipt.

City of Paramount
MOU Between City and Housing Authority
Page 3 of 5

5. Housing Authority Responsibilities

The Housing Authority shall recruit and retain the services of a qualified Investigator to perform the following: conduct investigations of suspected violations of the Program administered by the Housing Authority; gather information through interviewing witnesses, and reviewing files, public records and other documents; prepare written reports and maintain statistical activity logs; prepare cases involving Program violations for administrative action; prepare cases for civil or criminal action to document and recover subsidies received by participants based on fraud; testify in criminal and administrative hearings; participate in any Crime Prevention Task Force and work with Special Assignment Officers (Sheriff SAO); conduct fraud awareness training for law enforcement officers and other officials; prepare monthly reports on investigative activities for submission to the City; address quality of life issues and program regulation enforcement; and perform other related duties.

The Investigator shall be an employee of the Housing Authority and shall be under the supervision of the Housing Authority, and not under the supervision or training of the City. The Housing Authority warrants that all services performed by its investigator under this MOU shall be performed in compliance with all applicable federal, state and County laws and regulations.

The Housing Authority shall administer the funds provided by the City to conduct the services described above. All services to be provided by the Housing Authority are included within the quarterly sum to be paid by the City, and there shall be no additional cost to the City for services provided pursuant to this MOU. In the event of termination of the MOU, as provided herein, the City shall be responsible for all fees incurred through the effective date of termination.

The Housing Authority shall submit quarterly statements to the City identifying the number of hours provided, description of investigative services and associated costs.

6. Notices

Notices provided for in this MOU shall be in writing and shall be addressed to the person intended to receive the same, at the following addresses:

City of Paramount
MOU Between City and Housing Authority
Page 4 of 5

The Housing Authority: William K. Huang
Acting Executive Director
The Housing Authority of the
County of Los Angeles
2 Coral Circle
Monterey Park, California 91755

The City: Linda Benedetti-Leal
City Manager
City of Paramount
16400 Colorado Avenue
Paramount, California 90723

Notices address as above provided shall be deemed delivered three (3) business days after mailed by U.S. mail or when delivered in person with written acknowledgement of the receipt thereof. The Housing Authority and the City may designate a different address or addresses for notices to be sent by giving written notice of such change of address to all other parties entitled to receive notice.

7. Indemnification

The Housing Authority shall be responsible for and shall defend and hold harmless and indemnify the City, its elected and appointed officials, employees and agents from all costs and claims for damages whatsoever by any third party relating to or resulting from the actions of the Housing Authority, its agents, employees and investigators, in relation to the rendition of services pursuant to this MOU.

The City shall be responsible for and shall defend and hold harmless and indemnify the Housing Authority, the Community Development Commission and the County of Los Angeles, and its elected and appointed officials, employees and agents from all costs and claims for damages whatsoever by any third party relating to or resulting from the actions of the City arising out of or in connection with the services, work, operation or activities of the City, its agents, employees and officials, in relation to the rendition of services pursuant to this MOU.

City of Paramount
MOU Between City and Housing Authority
Page 5 of 5

8. Entire Document

This MOU constitutes the entire understanding and agreement of the parties.

9. Authority

Each of the parties represents and warrants that the person entering into this MOU on behalf of such party is duly authorized to enter into this MOU on behalf of the party.

10. Counterparts

This MOU may be executed by the parties in counterparts, which counterparts shall be construed together and have the same effect as if all of the parties had executed the same instrument.

IN WITNESS WHEREOF, this Memorandum of Understanding is executed by the parties hereto, by their respective officers thereunto duly authorized as follows:

THE HOUSING AUTHORITY OF
THE COUNTY OF LOS ANGELES

By _____
WILLIAM K. HUANG
Acting Executive Director

APPROVED AS TO FORM:
Raymond G. Fortner, Jr.
County Counsel

By _____
Deputy

CITY OF PARAMOUNT

By _____
LINDA BENEDETTI-LEAL
City Manager

APPROVED AS TO FORM:
Office of the City Attorney

By _____
City Attorney

ATTEST:

City Clerk



**HOUSING AUTHORITY
of the County of Los Angeles**

Administrative Office

2 Coral Circle • Monterey Park, CA 91755

323.890.7001 • TTY: 323.838.7449 • www.lacdc.org



Gloria Molina
Yvonne Brathwaite Burke
Zev Yaroslavsky
Don Knabe
Michael D. Antonovich
Commissioners

William K. Huang
Acting Executive Director

July 23, 2008

Honorable Housing Commissioners
Housing Authority of the
County of Los Angeles
2 Coral Circle
Monterey Park, California 91755

Dear Commissioners:

**APPROVE MEMORANDUM OF UNDERSTANDING WITH THE CITY OF
PALMDALE FOR HOUSING PROGRAM INVESTIGATIONS (District 5)**

SUBJECT:

The Memorandum of Understanding (MOU) with the City of Palmdale will enable the Housing Authority to continue investigations of the Section 8 Housing Choice Voucher Program to ensure that landlords and tenants comply with program regulations.

IT IS RECOMMENDED THAT YOUR COMMISSION:

1. Recommend that the Board of Commissioners find that approval of the MOU between the Housing Authority and the City of Palmdale, is not subject to the provisions of the California Environmental Quality Act (CEQA), as described herein, because the activities are not defined as a project under CEQA.
2. Recommend that the Board of Commissioners approve and authorize the Acting Executive Director to execute the MOU with the City of Palmdale, attached in substantially final form, under which the Housing Authority will provide investigative services and receive \$44,500 from the City of Palmdale and \$44,500 in County (Economic Development Funds) EDF allocated to the Fifth Supervisorial District, to be effective



following approval as to form by County Counsel and execution by all parties.

3. Recommend that the Board of Commissioners authorize the Acting Executive Director to incorporate into the Housing Authority's approved Fiscal Year 2008-2009 budget \$44,500 from the City of Palmdale, for the purposes described above, and to incorporate any additional funds that may be received from the City of Palmdale for services performed during the term of the MOU.
4. Recommend that the Board of Commissioners authorize the Acting Executive Director to incorporate into the Housing Authority's approved Fiscal Year 2008-2009 budget County EDF funds in the amount of \$44,500 for the City of Palmdale.
5. Recommend that the Board of Commissioners authorize the Acting Executive Director to execute amendments to the MOU with the City of Palmdale to include minor administrative changes, and to extend the time of performance for up to two additional years, in one-year increments; and authorize the Acting Executive Director to incorporate funds received from the City of Palmdale into future approved Housing Authority budgets, for the purpose described above.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION:

The purpose of this action is to provide investigations of housing program participants for eleven months within the City of Palmdale.

FISCAL IMPACT/FINANCING:

There is no impact on the County general fund. The City of Palmdale will provide \$44,500, and the Fifth Supervisorial District will provide \$44,500 in County EDF funds. The total amount of \$89,000 will be incorporated into the Housing Authority's Fiscal Year 2008-2009 budget.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

Since 1994, cooperation agreements have been entered into with the City of Palmdale that have permitted the Housing Authority to administer the Section 8 Program within the jurisdiction. Under separate agreements, the Housing Authority also investigates participating landlords and tenants to ensure compliance with program regulations and local and federal laws. The new

agreement will continue these investigations for eleven months, using the services of part-time investigative and administrative staff.

The City of Palmdale and the unincorporated areas served by the Palmdale Station of the County Sheriff's Department will receive the services of one part-time as-needed investigator supervisor and one part-time investigator working a maximum of 1,664 hours annually.

The Housing Authority will carry out the following services: conduct investigations of suspected program violations; interview witnesses and review files, public records and other documents; prepare written reports and maintain activity logs; prepare cases involving program violations for administrative action; prepare cases for civil or criminal action to document and recover subsidies received by participants based on fraud; testify at criminal and administrative hearings; participate in crime prevention task forces; conduct fraud awareness training for city and County law enforcement officers and other officials; prepare monthly investigation reports; address quality of life issues; and perform other related duties.

The MOU includes mutual indemnification language providing for the City of Palmdale and the Housing Authority to defend and hold harmless and indemnify each other. This language has been incorporated into agreements with other jurisdictions that provide for the administration of the Section 8 Program within those jurisdictions.

The MOU has been reviewed by County Counsel. It is anticipated that the Palmdale City Council will approve the MOU in early August.

ENVIRONMENTAL DOCUMENTATION:

This action is exempt from the provisions of the National Environmental Policy Act pursuant to 24 Code of Federal Regulations, Part 58, Section 58.34 (a)(3), because it involves administrative activities that will not have a physical impact on or result in any physical changes to the environment. The activity is not subject to the provisions of CEQA pursuant to State CEQA Guidelines, Section 15060(c)(3) and 15378, because it is not defined as a project under CEQA and does not have the potential for causing a significant effect on the environment.

agreements will continue these investigations for eleven (11) months, using the services of part-time investigative and administrative staff.

The City of Palmdale and the unincorporated areas served by the Palmdale Station of the County Sheriff's Department will receive the services of one part-time as-needed investigator supervisor and one part-time investigator working a maximum of 1,664 hours annually.

The Housing Authority will carry out the following services: conduct investigations of suspected program violations; interview witnesses and review files, public records and other documents; prepare written reports and maintain activity logs; prepare cases involving program violations for administrative action; prepare cases for civil or criminal action to document and recover subsidies received by participants based on fraud; testify at criminal and administrative hearings; participate in crime prevention task forces; conduct fraud awareness training for city and County law enforcement officers and other officials; prepare monthly investigation reports; address quality of life issues; and perform other related duties.

The MOU includes mutual indemnification language providing for the City of Palmdale and the Housing Authority to defend and hold harmless and indemnify each other. This language has been incorporated into agreements with other jurisdictions that provide for the administration of the Section 8 Program within those jurisdictions.

The MOU have been reviewed by County Counsel. It is anticipated that the Palmdale City Council will approve the MOU in early August.

ENVIRONMENTAL DOCUMENTATION:

This action is exempt from the provisions of the National Environmental Policy Act pursuant to 24 Code of Federal Regulations, Part 58, Section 58.34 (a)(3), because it involves administrative activities that will not have a physical impact on or result in any physical changes to the environment. The activity is not subject to the provisions of CEQA pursuant to State CEQA Guidelines, Section 15060(c)(3) and 15378, because it is not defined as a project under CEQA and does not have the potential for causing a significant effect on the environment.

Honorable Housing Commissioners
July 23, 2008
Page 4

IMPACT ON CURRENT PROGRAM:

The services are a deterrent to program fraud and other criminal activity.

Respectfully submitted,


for **WILLIAM K. HUANG**
Acting Executive Director

Attachment: 1

**Memorandum of Understanding By and Between
The Housing Authority of the County of Los Angeles and the
City of Palmdale for Section 8 Program Investigative Services**

This Memorandum of Understanding ("MOU") is made and entered into this ____ day of _____, 2008, by and between the Housing Authority of the County of Los Angeles (the "Housing Authority") and the City of Palmdale (the "City").

Whereas, on October 18, 1994, and continuing, the Housing Authority and the City have entered into annual Cooperation Agreements whereby the Housing Authority has administered the Housing Voucher Choice Program – Section 8 (the "Program") within the City, pursuant to the requirements of Title II of the Housing and Community Development Act of 1974, as amended, and Section 34200 et. seq. of the California Health and Safety Code; and

Whereas, the Housing Authority on an ongoing basis performs investigative services to ensure that participants comply with said regulations, and that participants are not involved in criminal or other activity that may negatively impact the Program; and

Whereas, on March 14, 2005, and continuing, the Housing Authority and the City have entered into agreements that have permitted the Housing Authority to perform investigative services within the City and the unincorporated areas of the County of Los Angeles (the "County") serviced by the Palmdale Station of the County Sheriff's Department; and

Whereas, the Housing Authority and the City wish to enter into the following MOU to continue additional investigative services for eleven (11) months, with funds provided by the County and the City.

NOW, THEREFORE, it is agreed between the parties hereto as follows:

1. Investigative Activities

This MOU shall provide for additional investigative services to address criminal activity and other violations related to the Program administered by the Housing Authority within the City and the unincorporated areas serviced by the Palmdale Station of the County Sheriff's Department.

City of Palmdale
MOU Between City and Housing Authority
Page 2 of 5

2. Term

This MOU shall commence as of the day and year first above written and shall remain in full force and effective for a period of eleven (11) months, from August 1, 2008 through June 30, 2009, unless sooner terminated as provided herein. The MOU may be renewed by written amendment duly executed by the parties, for an additional two years, in one-year increments.

3. Termination

This MOU may be terminated with thirty (30) days' written notice by either party.

4. City Responsibilities

The City shall provide to the Housing Authority a total of \$44,500, to be used in conjunction with \$44,500 provided by the County for the following personnel who shall perform services under this MOU:

Part-Time Investigator Supervisor (1) will supervise the work of one part-time investigator, as needed, at a total cost not exceeding \$4,000 for the twelve (12) month period.

Part-Time Investigator (1) will provide a total of thirty-two (32) hours of investigative services per week (1,664 per year) at a cost not exceeding \$85,000 for the twelve (12) month term.

The City shall make available to the Housing Authority the assistance of its City administrators and staff, as necessary to address Program-related violations and criminal activity and to carry out corrective measures.

5. Housing Authority Responsibilities

The Housing Authority shall recruit and retain qualified persons to perform the services described in Paragraphs 4 and 5.

The Investigator Supervisor shall be an employee of the Housing Authority, and shall perform the following: manage the daily operations of the fraud investigations program; supervise and schedule work assignments of the Investigator; serve as liaison to the City and the

City of Palmdale
MOU Between City and Housing Authority
Page 3 of 5

County Sheriff's Department; compile statistical data for monthly program reports; and perform other related duties.

The Investigator shall be an employee of the Housing Authority and shall perform the following: conduct investigations of suspected violations of the Program administered by the Housing Authority, gather information through interviewing witnesses, and reviewing files, public records and other documents; prepare written reports and maintain statistical activity logs; prepare cases involving program violations for administrative action; prepare cases for civil or criminal action to document and recover subsidies received by participants based on fraud; testify in administrative and criminal hearings; participate in any existing Crime Prevention Task Force and the Palmdale Partners Against Crime Program; conduct fraud awareness training for law enforcement officers and other officials; prepare monthly reports on investigative activities for submission to the City; address quality of life issues and program regulation enforcement; and perform other related duties.

The above personnel shall be under the supervision of the Housing Authority, and not under the supervision or training of the City. The Housing Authority warrants that all services performed by the above personnel under this MOU shall be performed in compliance with all applicable federal, state and County laws and regulations.

The Housing Authority shall administer the funds provided under this MOU to conduct the services described above. All services to be provided by the Housing Authority are included within the quarterly sum to be paid by the City, and there shall be no additional cost to the City for services provided pursuant to this MOU. In the event of termination of the MOU, as provided herein, the City shall be responsible for all fees incurred through the effective date of termination.

The Housing Authority shall submit quarterly statements to the City identifying the number of hours provided, description of investigative services and associated costs. The City shall remit payment for the quarterly invoices within fifteen (15) days of receipt.

6. Notices

Notices provided for in this MOU shall be in writing and shall be addressed to the person intended to receive the same, at the following addresses:

City of Palmdale
MOU Between City and Housing Authority
Page 4 of 5

The Housing Authority: William K. Huang
Acting Executive Director
The Housing Authority of the
County of Los Angeles
2 Coral Circle
Monterey Park, California 91755

The City: Stephen H. Williams, City Manager
City of Palmdale
38300 Sierra Highway, Suite A
Palmdale, California 93550

Notices addressed as above provided shall be deemed delivered three (3) business days after mailed by U.S. Mail or when delivered in person with written acknowledgement of the receipt thereof. The Housing Authority and the City may designate a different address or addresses for notices to be sent by giving written notice of such change of address to all other parties entitled to receive notice.

7. Indemnification

The Housing Authority shall be responsible for and shall defend and hold harmless and indemnify the City, its elected and appointed officials, employees, and agents from all costs and claims for damages whatsoever by any third party relating to or resulting from the actions of the Housing Authority, arising out of or in connection with the services, work operation or activities of the Housing Authority, its agents, employees and investigators, in relation to the rendition of services pursuant to this MOU.

The City shall be responsible for and shall defend and hold harmless and indemnify the Housing Authority, the Community Development Commission, the County of Los Angeles, its elected and appointed officials, employees and agents from all costs and claims for damages whatsoever by any third party relating to or resulting from the actions of the City arising out of or in connection with the services, work, operation or activities of the City, its agents, employees and officials, in relation to the rendition of services pursuant to this MOU.

8. Entire Document

This MOU constitutes the entire understanding and agreement of the parties.

City of Palmdale
MOU Between City and Housing Authority
Page 5 of 5

9. Authority

Each of the parties represents and warrants that the person entering into this MOU on behalf of such party is duly authorized to enter into this MOU on behalf of the party.

10. Counterparts

This MOU may be executed by the parties in counterparts, which counterparts shall be construed together and have the same effect as if all of the parties had executed the same instrument.

IN WITNESS WHEREOF, this Memorandum of Understanding is executed by the parties hereto, by their respective officers thereunto duly authorized as follows:

THE HOUSING AUTHORITY OF
THE COUNTY OF LOS ANGELES

CITY OF PALMDALE

By _____
WILLIAM K. HUANG
Acting Executive Director

APPROVED AS TO FORM:
Raymond G. Fortner, Jr.
County Counsel

By _____
Deputy

By _____
STEPHEN H. WILLIAMS
City Manager

APPROVED AS TO FORM:
Office of the City Attorney

By _____
Wm. Matthew Ditzhazy
City Attorney

ATTEST:

Victoria L. Hancock, CMC
City Clerk